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**U.S. DEPARTMENT OF EDUCATION**

**ANNUAL REPORT**

**FISCAL YEAR 1981**



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**U.S. DEPARTMENT OF EDUCATION**

**ANNUAL REPORT**

**FISCAL YEAR 1981**

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**T. H. Bell, Secretary**

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THE SECRETARY  
WASHINGTON, D.C. 20202

JUL 29 1962

The President  
The White House  
Washington, D.C. 20500

Dear Mr. President:

In accordance with Section 426 of the Department of Education Organization Act (P.L. 96-88), I am enclosing the Department's report for fiscal year 1981. This section of the Act requires the Secretary of Education to submit to the President for transmittal to the Congress a report on the activities of the Department of Education for each fiscal year.

The report will be broadly distributed when printed copies are available from the Government Printing Office.

Sincerely,

A handwritten signature in cursive script, appearing to read "T.H. Bell", is written over a horizontal line.

T.H. Bell



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## REPORT OF THE SECRETARY

I am pleased to present to the United States Congress the 1981 Annual Report of the Department of Education.

When I became the second U.S. Secretary of Education in January 1981, I adopted 12 major goals that I felt were crucial for this Administration to address in regard to the federal role in education.

These goals, some of which have been met and others achieved in part during the past year, remain valid as we continue to analyze, rethink, and reshape the appropriate role of the federal government in education.

### Goals of the Department of Education

Provide Leadership and Advocacy for a Nationwide Campaign on Excellence and Improved Quality in Education. — Recent publicity in newspapers and other media has drawn much attention to the decline in quality of American education. In 1981 the Department of Education took the leadership responsibility of encouraging and motivating the nationwide academic community to take whatever measures are necessary to enhance excellence and improve quality in the American education system at all levels.

We have reviewed the studies conducted by the National Institute of Education which identify factors that can make a significant contribution to excellence. We have identified many schools and colleges that are making outstanding contributions to excellence. We have highlighted these schools as examples, encouraging other institutions to follow their lead.

My colleagues and I have been making every effort to bring the results of these studies to the attention of academic communities throughout the country and have encouraged them to implement the recommended practices.

On August 26, 1981, I announced the establishment of a National Commission on Excellence in Education. The Commission is designed to serve as the centerpiece of a campaign to promote excellence in our educational institutions. It is responsible for studying in depth the problem of declining quality in American schools and for making recommendations to schools and colleges.

The 18 members of this distinguished Commission include academics, administrators from both public and private schools, colleges, and universities; it also includes businessmen, parents, and public officials.

David Pierpont Gardner, President of the University of Utah, was named Chairman. The other members are: Yvonne W. Larsen, William O. Baker, Anne Campbell, Emeral A. Crosby, Charles A. Foster, Jr., Norman C. Francis, A. Bartlett Giamatti, Shirley Gordon, Robert V. Haderlein, Gerald Holton, Annette Y. Kirk, Margaret S. Marston, Albert H. Quie, Francisco D. Sanchez, Jr., Glenn T. Seaborg, Jay Sommer, and Richard Wallace.

Successfully Implement Program Consolidation After Congress Has Acted on the Block Grant Proposals of the Administration. -- Congressional passage of the historic budget legislation signed into law by President Reagan on August 13, 1981, enabled the Department to move toward achievement of this goal.

Under Chapter 2 of the Education Consolidation and Improvement Act approximately 30 categorical programs are folded into a block grant. The grant is divided into three parts -- basic skills, educational improvement, and special projects.

The states will have the flexibility to determine, within a broad framework, where federal dollars should be spent beginning in the 1982-83 school year.

The main responsibility for carrying out the provisions of the education block grant rests with state and local education agencies and officials who know their needs best.

Design and Implement an Approach to Civil Rights Enforcement That Encourages More State Education Agency, Local Education Agency, and College Leadership Commitment to Enforcement of Civil Rights Laws. -- While upholding civil rights laws, the Department has moved to resolve pending legal cases through a spirit of conciliation rather than confrontation in order to achieve solutions that best serve students and further the goals of education. By taking this less strident and punitive federal posture, in 1981 the Department was able to reach agreement in long-standing higher education desegregation cases at the University of North Carolina and in Title IX cases such as the one at the University of Akron. Efforts to seek a solution in this area continue. Underlying all of our efforts is the promotion of voluntary compliance.

Obtain Tighter Control Over the Performance of Administrative and Supervisory Personnel. -- During FY 1981 the Department launched several major initiatives to strengthen the performance of its supervisory personnel. All supervisors received in depth training in developing performance agreements with their subordinates, based on the critical elements of their work. In addition, supervisors were taught techniques to more effectively evaluate the results achieved during the year. The emphasis on managing for results was further reinforced by expanding management-oriented training programs and establishing a direct linkage between my overall goals for the Department and performance agreements for individual managers.

The Department has also established a management research and development unit to identify modern management techniques successfully employed by other government agencies and the private sector. For example, our employee suggestion system is being revitalized based on some of the techniques suggested by the Air Force and Honeywell, and management development and training courses for supervisors are being updated to reflect exemplary programs offered by some of the country's leading corporations.

Reduce Costs to Operate the Department. -- A hard hitting and conscientious effort has been made to reduce Department costs through the identification of wasteful practices; monitoring and limiting travel to essential activities; and conserving energy. Each major unit in the Department has appraised its personnel needs. In many cases employees were transferred or reassigned when an excess in staffing was determined.

Each of these actions has helped the Department to reduce its costs, in line with the Administration's goal to reduce inflated expenditures throughout the federal government.

Reduce Fraud, Waste, and Marginal Results. -- The audits conducted by the Office of the Inspector General (OIG) have contributed significantly to the Department's efforts to achieve this goal. In audit reports completed during FY 1981, OIG questioned or disallowed costs of about \$109 million. In audit reports resolved during FY 1981, program managers sustained and marked for recovery approximately \$35 million of the \$99 million in questioned costs.

Since the inception of the OIG "Hotline," in August 1981, which offers a direct line of communication to the OIG for reports of suspected fraud, abuse, or mismanagement, the OIG has received 158 complaints. Of the 92 complaints closed thus far, about 20 percent have been substantiated in whole or in part and have led to corrective actions by Department officials.

In order to assist the OIG in its efforts, earlier this year I established a Committee on Fraud, Waste, and Mismanagement to be chaired by the Inspector General. The Committee is composed of Department Assistant Secretaries and other principal officials. The purpose of the Committee is to lead and coordinate the continued efforts to eliminate the problems of fraud, waste, and marginal results.

Regulation Reform. -- In full support of the initiative of President Reagan and the leadership of Vice President Bush, who is Chairman of the Presidential Task Force on Regulatory Relief, the Department has been vigorous in the establishment of internal procedures and the modification of regulations so as to eliminate undue burdens and reduce federal control wherever possible.

In January 1981, I withdrew the proposed Lau regulations involving bilingual education. These proposed regulations would not only have imposed burdens costing hundreds of millions of dollars, but, possibly more significantly, would have been a major step toward federal determination of curriculum and teaching methodology.

Through Departmental action in 1981, hundreds of pages that otherwise would have been published in the Federal Register have been eliminated, and millions of pages of reports will no longer have to be sent to the Department. As a result, for the school year 1982-83 alone, 2.25 million hours will be saved solely because of reduced data requests that federal agencies will direct to educational agencies and institutions



throughout the country. These actions do not include the additional millions of burdensome hours that will be saved as a result of the modification and removal of often overly prescriptive, detailed, and intrusive administrative requirements.

An important priority in reviewing Departmental regulations is the continuation of support for compliance with the concepts of equal opportunity and access to educational programs and with the various civil rights laws. The Department is committed to continuing its thorough review of regulations while giving careful consideration to the foregoing concepts and laws which often result in conflicting positions concerning the nature and details of a regulation.

Reduce the Paperwork and Reporting Burden on Schools and Colleges. -- When the last annual report to Congress on the paperwork burden placed upon schools and colleges was submitted, we found that the needed description for this report required several hundred pages. At that time, I promised that we would act aggressively to cut back on this burden.

The unnecessary regulations we have scrapped in 1981 equal 118 printed pages in the Federal Register. Revocation of these regulations eliminates the flow of some 200,000 pages of grant applications, 7,000 pages of financial reports, and 20,000 pages of programmatic reports moving to the federal government annually.

The dollar amounts saved, which may now go toward the education of children, are equally sizeable. By eliminating this mound of paper, we are annually saving \$1.5 million in grant application preparations; \$70,000 in financial reports which we request; and an estimated \$145,396 in the preparation of reports from the various programs.

The public nuisance factor that is eliminated by cutting these regulations and paperwork is immeasurable.

Attain a New and More Effective Approach in Federal Financial Assistance for Vocational Education. -- During 1981, the Department devoted extensive efforts to the development of legislative proposals for the modifications of adult and vocational education programs. These proposals are keyed to the consolidation, in 1982, of the existing categorical programs into a single block grant to the states with a small amount for discretionary projects in areas of particular national significance. We will also seek a simplification or elimination of current requirements regarding state administration, planning, evaluation, fiscal accountability, public participation, and reporting of data. Overall this legislative thrust is designed:

- to return decision making authority to states and localities while redefining the federal role as one of facilitation and support, and

- to refocus the Vocational Education Act on economic revitalization and on preparing the skilled workforce required for this goal by collaborating closely with the private sector.

In 1981 I developed a program to recognize excellence in vocational education programs across the country. This program is titled "Awards for Outstanding Vocational Programs." It has involved a nationwide search to identify exemplary vocational education programs in the Department's ten regions, and to give public recognition to those programs.

Spread the Best Practices in Educating Those Who Are Hard to Educate. -- Over the last several years, and in 1981 in particular, much has been learned regarding the education of elementary and secondary students, including those deficient in English, the disadvantaged, and the handicapped.

Throughout this year, I have made a concerted effort to bring to the American academic community the research conducted by the National Institute of Education which identifies the highly successful practices and factors of good schools. The Department's Joint Dissemination Review Panel assesses federally- and state-funded educational programs for outstanding academic achievement and their adaptability for use in other school systems. In recent years the Panel has identified over 300 such programs, conducted in both urban and rural settings in all parts of the country and dealing with nearly every aspect of education.

There are programs that fall in a dozen categories ranging from basic skills projects to those that focus on children with language difficulties and learning disabilities, those who are gifted and talented, and those in need of adult education. Half of these "exemplary programs" have been funded to encourage adoption by schools elsewhere in the country. Throughout 1981, the Department's efforts have been keyed to the widest and most effective dissemination of this information.

Move the Department of Education into a New Governmental Structure in Compliance with the President's Commitments. -- In line with the Administration's continuing commitment to reduce the size, cost, and burden of government, and to eliminate unwarranted federal control and interference in educational matters, a proposal was developed to dismantle the Department as a Cabinet agency and in its place create a Foundation for Education Assistance.

Among other things, the proposed Foundation for Education Assistance would:

1. Establish 38 programs with a budget in FY 1983 of \$8.8 billion;
2. reduce the staff by 1,400 employees to 4,800, resulting in a saving of \$56 million annually compared with the Department's expenditure in FY 1981;

3. transfer 28 education programs to other agencies with related responsibilities;
4. terminate 23 existing federal education programs that have served their purpose or have low priority;
5. repeal 11 unnecessary federal boards and commissions.

The proposed Foundation would reduce intrusion by the federal government and increase adaptability to change in the federal role by:

- strictly limiting authority to regulate what is legally required or necessary;
- restricting "General Education Provisions" legal burdens on states and localities;
- permitting flexible internal organization within the Foundation that can be modified as required;
- combining with other bills -- in vocational education, education for the handicapped, education of minority language children, and the Federalism Turnback Initiative -- that which will further define the appropriate federal role in education.

I believe that the proposed Foundation for Education Assistance will enhance the capacity of those responsible for the governance of education to more adequately meet the educational needs of citizens of this country, while avoiding control of education at the federal level.

Improve Communication Effectiveness with the Academic World and with the Hill. -- Essential to an understanding of the Department's policies and recommendations for change are regular contacts with our constituency in the academic community and members of Congress and their staff who are responsible for authorizing and funding our activities.

While the major portion of the communications flow with constituencies involves our program offices and the day-to-day work of the agency which we are strengthening, I have made a special effort to upgrade our contacts at top levels where misunderstanding can be quickly and widely spread.

In the reorganization which I implemented on becoming Secretary, I moved to strengthen our total communications effort by merging our congressional relations and public affairs organizations into the Office of a single Assistant Secretary. This enables us to more effectively coordinate the vital outreach activities of the agency which affect the media and the Congress. We have established a monitoring and control system which will result in a more timely response to inquiries of the Congress and our constituencies and meet the deadlines required by law for the myriad reports required of us.



We moved to strengthen our contacts with state and local education agencies, colleges and universities, state and local general governments, and other federal agencies by creating an executive level Deputy Under Secretary for Intergovernmental/Interagency Affairs. Through this organization we are keeping representative organizations fully apprised of our activities and policy proposals, including budget proposals and legislative and regulatory change.

I have spent a great deal of time appearing before congressional committees and meeting with members and staff on new policy proposals and current problems. The newly implemented procedures in the Congress this year concerning budget, reconciliation, and authorization resulted in intense activity involving some massive changes in education programs.

On the assumption that a process of this kind will continue, communication has become even more vital because of the limited time available in the process.

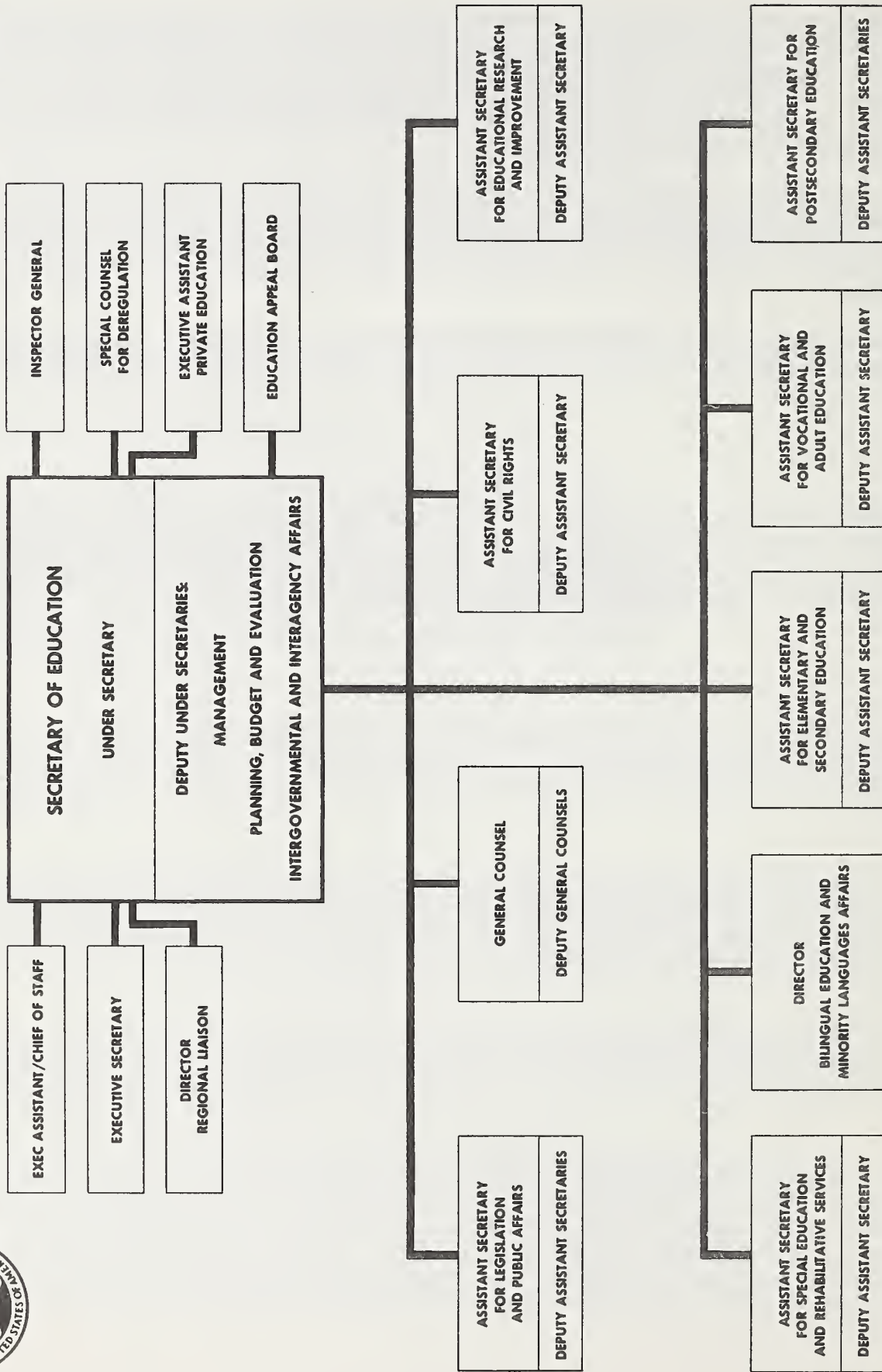
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These, then, are our goals. We will continue to work to achieve them beyond 1981. They will serve as yardsticks for our future endeavors as we make strides to return placement of the chief responsibility for the education of our citizens back to its proper place — at the state and local levels.



# DEPARTMENT OF EDUCATION

APPROVED: *[Signature]*  
I. H. BELL  
DATE: 9-1-81





## OFFICE OF THE UNDER SECRETARY

The Under Secretary, principal policy advisor to the Secretary on all major program and management issues, is responsible for the internal management and daily operations of the Department. By statute, the Under Secretary is responsible for relations between the Department, state and local governments, and other federal agencies.

### Department Reorganization

During FY 1981, the Office of the Under Secretary coordinated the reorganization of the Department to meet the Administration's goals of improving efficiency and curbing excesses in the federal government. There were several key objectives: development of a more responsive structure, reduction in the number of Assistant Secretary and Deputy Assistant Secretary positions, elimination of bureaucratic layering, and attention to management accountability.

The Department's new organizational structure, approved by the Secretary on May 7, 1981, achieved better coordination among its major operating components and resulted in a greatly simplified senior staff organization. A key feature of the Department's internal reorganization was the elimination of four of 13 Assistant Secretary positions and 35 of 47 Deputy Assistant Secretary positions, saving an estimated \$1.95 million in annual salaries alone.

### Consolidated Functions

To improve effectiveness in communicating with the Congress and the public, the Department's legislation and public affairs office were consolidated under one Assistant Secretary. This enhanced the Department's ability to coordinate and control external communications and improved the Department's ability to respond quickly to inquiries.

To further streamline the organization, yet retain a strong voice for the private school community, the private educational functions were realigned under an executive assistant reporting directly to the Secretary.

The previously separate functions of intergovernmental and interagency activities were combined under one Deputy Under Secretary. In addition, both the Office of Management and the Office of Planning, Budget, and Evaluation were reorganized and redesignated at the level of Deputy Under Secretary. With these three staff offices in a common organizational cluster, the Department can more effectively manage administrative and intergovernmental functions critical to the success of Administration policies.

## REGIONAL OFFICES

The mission of the Department's 10 Regional Offices is to help achieve Administration goals within the Regions. A Regional Representative of the Secretary directs each Regional Office. Together they comprise the Secretary's Regional Representative (SRR) organization.

The SRR speaks and acts for the Secretary within the Region. In addition, the SRR handles congressional relations and implements intergovernmental, interagency, and public participation initiatives planned by the Office of the Under Secretary. The SRR also provides accurate and timely reports to the Secretary and the Director of Regional Liaison.

Each Regional Office has immediate access to its state education agencies and will assist the Department in carrying out the block grant consolidation process and assist in clarifying federal education rules, regulations, and guidelines.

Several other functions of the Department detailed below are administered at the Regional level. Although they share office space and, in some cases administrative functions, they are under the jurisdiction of the respective program assistant secretaries in Washington. These functions are detailed in the appropriate office division.

### The Federal Real Property Assistance Program

Each Regional Office has a Department representative of the Federal Real Property Assistance Program which offers federal surplus real property to state and local governments and to nonprofit public and private schools and colleges.

### OIG Regional Offices

Regional OIG operations are headed by a Regional Inspector General for Audit and a Regional Inspector General for Investigation. These officials, who report directly to their respective Assistant Inspectors General in Washington, D.C., direct and coordinate audit and investigation activities in the field.

Audits in the field are performed in accordance with the OIG's Annual Audit Plan prepared jointly by Headquarters (Washington, D.C.) and field OIG personnel. The plan includes internal, external, and contract audits as well as special audits or reviews requested by program managers, the Office of Management and Budget, and the President's Council on Integrity and Efficiency.

The field investigative staff reviews and evaluates allegations of illegal or unethical practices related to Department programs and operations.

## OPE Regional Office

Each Regional Office of Postsecondary Education assists in administering student financial aid programs.

This Office conducts onsite reviews of postsecondary education institutions, lenders participating in the loan programs, and State Guarantee Agencies. More than 2,000 institutions and approximately 900 lenders annually undergo an onsite review as part of the ongoing campaign against fraud and abuse.

Loan claims and collections for the National Direct Student Loan and the Guaranteed Student Loan programs have recently been centralized in three Regional Offices: Atlanta, Chicago, and San Francisco.

The Office monitors and provides expert technical assistance to postsecondary education institutions which are about to cease operating.

The Regional Office staff also provides assistance to postsecondary institutions through training and timely responses to inquiries, and assists institutions with review and audit exceptions through onsite technical assistance teams. The staff is also concerned with student requests about Title IV financial aid programs and application procedures. It monitors consumer complaints and reports quarterly to headquarters on the problems and concerns identified.

## OCR Regional Office

Under the direct jurisdiction of the Assistant Secretary for Civil Rights, the Regional Offices for Civil Rights (OCR) are responsible for ensuring that no one is unlawfully discriminated against in programs and activities receiving federal financial assistance on the basis of race, national origin, handicap, sex, or age. OCR's Regional Offices accomplish this task through technical assistance and compliance activities. Compliance activities consist primarily of the investigation and resolution of civil rights complaints filed by the intended beneficiaries of federal education funds, and OCR initiated reviews of education institutions where there are reasons to suspect lack of compliance. To fulfill its enforcement responsibilities, OCR monitors civil rights problems deemed so severe that they can be corrected only over a long period of time.

These offices (1) provide technical assistance to State agencies, project grantees, and prospective grantees; (2) develop programs within State agencies and other public and private nonprofit organizations; (3) review program activities of the states and grantees; (4) coordinate program activities with other federal agencies in the regions; (5) resolve audit findings; and (6) exercise delegated authority.



## Regional Offices

### Region I

Connecticut, Maine, Massachusetts,  
New Hampshire, Rhode Island,  
Vermont

John F. Kennedy Federal Building  
Room 2403  
Boston, Massachusetts 02203  
Telephone: 617/223-7500

### Region II

New Jersey, New York, Panama  
Canal Zone, Puerto Rico, Virgin  
Islands

26 Federal Plaza  
Room 3954  
New York, New York 10278  
Telephone: 212/264-7005

### Region III

Delaware, District of Columbia,  
Maryland, Pennsylvania, Virginia,  
West Virginia

3535 Market Street  
Room 16350  
Philadelphia, Pennsylvania 19104  
Telephone: 215/596-1001

### Region IV

Alabama, Florida, Georgia,  
Kentucky, Mississippi, North  
Carolina, South Carolina,  
Tennessee

101 Marietta Tower  
Suite 2221  
Atlanta, Georgia 30323  
Telephone: 404/221-2502

### Region V

Illinois, Indiana, Michigan,  
Minnesota, Ohio, Wisconsin

300 South Wacker Drive—Room 3214  
Chicago, Illinois 60606  
Telephone: 312/353-5215

### Region VI

Arkansas, Louisiana, New Mexico  
Oklahoma, Texas

1200 Main Tower Building  
Room 1460  
Dallas, Texas 75202  
Telephone: 214/767-3626

### Region VII

Iowa, Kansas, Missouri, Nebraska

Eleven Oak Building  
324 East 11th Street  
9th Floor  
Kansas City, Missouri 64106  
Telephone: 816/374-2276

### Region VIII

Colorado, Montana, North Dakota,  
South Dakota, Utah, Wyoming

Federal Office Building  
1961 Stout Street  
Room 380  
Denver, Colorado 80294  
Telephone: 303/837-3544

### Region IX

Arizona, California, Hawaii, Nevada,  
Guam, Trust Territory of Pacific  
Islands, American Samoa

50 United Nations Plaza  
Room 205  
San Francisco, California 94102  
Telephone: 415/556-4920

### Region X

Alaska, Idaho, Oregon, Washington

Arcade Plaza Building  
Room 5026 M/S 519  
1321 Second Avenue  
Seattle, Washington 98101  
Telephone: 206/442-0460

## OFFICE OF THE DEPUTY UNDER SECRETARY FOR MANAGEMENT

At the direction of the Secretary, major OM activities in FY 1981 effected improvements in Department organizational development; assistance, procurement, and financial management; and personnel management and provision of responsive support services.

### Department Organization

To achieve better organization and improve management efficiency, the Secretary approved a new organizational structure for the Department in FY 1981. Development and implementation of this organizational structure was a major activity of OM staff.

The new structure eliminates bureaucratic layering, makes more effective use of personnel, and provides for clearer accountability in program policy and administration. Most changes were made at top levels of the Department, with minimal disruption to ongoing activities at the division level.

Several program offices were relocated for more efficient and appropriate administrative functioning.

### The Controller

The Controller is responsible for Assistance and Procurement Management, Financial Management, and Information Resources Management. Authority for the Federal Real Property Assistance Program is also delegated to the Controller.

Assistance and Procurement Management. -- In accordance with Section 426 (b) of the Department of Education Organization Act, the Department reports 4,598 procurement awards during FY 1981, totaling \$227,198,486. These figures include small purchase actions (see table). It is estimated that 4,544 non-federal personnel were employed under contracts.

The automation of a number of grant and contract activities was begun in FY 1981. Plans to automate the scheduling of procurements and discretionary grants were initiated, and should guard against possible year-end spending abuses. Mid-FY 1982 is the target date for initiating a centralized Department data base on all grant activity, incorporating formula grant data, and thereby bringing the Department into compliance with Federal Assistance Award Data System reporting requirements. These improvements will enhance Department planning, control, information management, reporting, and allocation of personnel.

By the end of FY 1981, OM had resolved all discretionary grant and contract audits outstanding over 6 months improving the Department's credit management record.

Extent of Contracts and Non-Federal Personnel Employed  
FY 1981

	<u>Number of Contracts</u>	<u>Total Cost</u>	<u>Total Number non-Federal Personnel</u>
Assistance Management Procurement Services Contract	752	\$187,092,512	3,742
Assistance Management Procurement Services Small Purchases	3,315	4,181,507	84
National Institute of Education Contracts and Small Purchases	<u>531</u>	<u>35,914,467</u>	<u>718</u>
TOTAL	4,598	\$227,188,486	4,544

Financial Management. — During FY 1981, two major efforts were designed to improve the management and performance of the Department's financial services and systems.

First, an on-line minicomputer system supplemented the Financial Management Information System; implementation of this supplemental system provides automated verification of fund availability and allows retrieval of obligation data through relay terminals on a display screen or by printer. The system also performs automated validity edits, verification, and error correction functions that improve overall financial accountability and efficiency within the Department.

The second major project, a highly automated payment system, will be implemented in several stages during FY 1982. It is designed to improve the Department's cash management in line with Office of Management and Budget and Treasury Department directives; it will be compatible with the new Treasury Financial Communications System which provides for disbursement of large sums to grantees through telecommunications links with banks. This on-line system will perform numerous automated payment, verification, and financial reporting functions, many of which are now performed manually. When fully implemented this system will improve the capability to limit cash outlays to the immediate needs of recipients and to eliminate excess balances of federal funds held outside the U.S. Treasury.

Information Resources Management. — An Office of Information Resources Management (OIRM) was created in FY 1981 to manage all computer technology and related automated data processing resources in the Department. Major initiatives undertaken by OIRM include the Integrated Student Aid Delivery System, the Data Base Management Study, and implementation of the Office Automation Technology Project.

The Integrated Student Aid Delivery System focuses on cost savings and improved controls for all student financial aid programs; reductions in paperwork, fraud, and abuse are projected with its implementation. The Data Base Management Study will develop a long-range work plan for management and control of the Department's Data Base; as part of this effort, an information review plan will be prepared for submission to the Office of Management and Budget that details Department information resources review activities projected for the next 18 months.

OIRM is pilot-testing office automation technologies in several component areas of the Department. Four WANG minicomputers were installed in FY 1981. A correspondence tracking system was established in the Office of the Secretary, and administrative support systems (e.g., personnel and budget tracking) were established in the Executive Office of the Deputy Under Secretary for Management and the Office of the Assistant Secretary for Elementary and Secondary Education.

Federal Real Property Assistance Program. -- The Federal Real Property Assistance Program conveyed 31 separate parcels of surplus federal property in FY 1981. These conveyances included 448 acres and 117 buildings that had cost the government some \$19.5 million when acquired. The properties, varying in size and cost, are located in 18 states, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands.



State and local governments and other recipients will use these properties for a variety of purposes, including conventional elementary, secondary, and postsecondary education programs. The City of Chicago Board of Education proposes to use a 10-acre site for central administration facilities, and Charleston, Maine, will use a former Air Force base as a correctional facility.

#### Administrator for Management Services

The Administrator for Management Services is responsible for Personnel Management Services, Organizational Performance Services, and Administrative Management Services.

Personnel Management Services (PMS). — In FY 1981, the Department succeeded in cutting its workforce by 1,200 positions or 16 percent, as required by the Department of Education Organization Act, more than meeting FY 1981 personnel ceilings from the Office of Management and Budget.

In FY 1981, reorganization was a major activity concerned with the processing of personnel actions in connection with the establishment of the new Department and the presence of a new Administration. The PMS staff made significant contributions to the Office of Personnel Management's Evaluation Report on the Department, mandated in the legislation under which the agency was created in 1980. The staff also coordinated the implementation of the Senior Executive Service and Merit Pay Performance Appraisal Systems, and the first appraisal of employee performance under these systems.

The Department developed the first federal computer simulation model in FY 1981 for assessing the cost implications of a reduction-in-force (RIF), the involuntary termination or reassignment of employees in response to reductions in workload, changes in mission, or budget reductions. This planning model also has the capability of automating the reduction-in-force process. The model is being tested in two areas of the Department affected by personnel reductions. An assessment will be made of its reliability for future reduction actions.

During FY 1981, an existing federal payroll/personnel system was selected for use by the Department, and computer programs were converted to meet Department needs.

The Horace Mann Learning Center serves as the Department's training arm and is the focus of Department activities to develop and improve employee skills. In FY 1981, the Center's staff established an employee development policy and completed a comprehensive employee training needs assessment reflecting legislative mandates in the Government Employees Training Act, the Civil Service Reform Act, and other congressional directives.

Over 4,000 employees in FY 81 were trained in the General Performance Appraisal System. The Department's first four candidates for the Senior Executive Service (SES) began a two-year training program, and all SES members participated in an intensive orientation program. Other training activities were geared to meet specific needs of the Department, such as secretarial/clerical training and contracts and grants administration.



Seminars sponsored by the Center were often successfully coordinated with program units in the Department. Programs such as "What Do We Know About Private Schools?", "Who's Keeping Score -- Minimum Competency Testing," and "Evaluation Strategies for Urban Intervention Programs" allowed experts in these fields to share findings with the wider education community.

Organizational Performance Services. -- OM completed 19 studies in FY 1981 to support the improvement of program operations and delivery of services.

Program studies included assessments of the Indo-Chinese Refugee Program, the Developing Institutions Program, the Career Education Program, the Adult Education Program, the Independent Living Centers Program, and the Women's Educational Equity Act Program. Ongoing studies that will also improve program operations include assessments of the National Direct Student Loan Program, the Basic Skills Program, and the Indian Education Program.

Internal management improvement studies conducted in FY 1981 included mail service, travel voucher processing, use of nongovernment personnel to review grant applications, and the processing of small purchase orders. Management studies underway as the fiscal year closed addressed the continuing improvement of essential administrative services, personnel actions, and contract processing.

An Administrative Communications System (ACS) was established in the latter half of FY 1981, providing the first Department mechanism for efficient, reliable, and timely communication of policies and procedures to managers and supervisors. Thirty-five directives were issued by the ACS. Another 20 were being developed as the fiscal year ended.

An intense management research and development effort is expected to further increase efficiency and improve productivity in FY 1982 by adapting management practices proven successful in other federal agencies and in the private sector within the Department. OM has introduced a management performance accountability system that provides for the setting and tracking of annual and monthly performance objectives, and has established professional development seminars in such areas as time management, managerial stress, and personnel management theory.

Administrative Management Services. -- In FY 1981, the Office of Management aggressively reduced the Department's administrative costs by the improved management of space, vehicles, equipment, telephone services, and furniture both for headquarters and regional offices.

Reduction in space occupied by the Department saved \$44,000 in FY 1981; consolidation and relocation of warehouse operations resulted in savings of \$85,000. Needs evaluation made possible the elimination of \$60,000 of copy equipment; a furniture rehabilitation program provided over \$100,000 of materials and equipment at no

cost to the Department; and improved scheduling of motor vehicle operations reduced the Department's need for leased vehicles. Substantial and continuing savings to the Department are projected with the reduction of telephone lines, instruments, and credit cards and through the correction and monitoring of billings.

#### Office of Management Projects and Initiatives

Other OM initiatives in FY 1981 included particular efforts in paper work reduction, staff development, and responsibilities for labor relations; two major management initiatives, closely coordinated with the Office of Management and Budget, related to credit management improvement and reduction of fraud, waste, and mismanagement. OM also has the responsibility for equal employment opportunities, minority business enterprise, and the Office of Education for Overseas Dependents.

Paperwork Reduction. — Department actions prior to April 1, 1981, the effective date of the Paperwork Reduction Act of 1980 (P.L. 96-511), as well as those taken to implement the Act, will reduce paperwork burdens and improve the management of information in the Department.

The Paperwork Reduction Act requires that each federal department or agency designate a senior official to carry out its provisions and develop a comprehensive system of information management. The Deputy Under Secretary for Management was designated to carry out the provisions.

A Division of Education Data Control was established to eliminate excessive, burdensome, and irrelevant reports and to establish a centralized data base for the Department. That Division implements the Paperwork Control Act (P.L. 95-651) which is incorporated in Public Law 95-511.

Under OM guidance, the Department has achieved a significant reduction or elimination of federal reporting requirements from 9 million hours in FY 1980 to 7.2 million hours by the end of FY 1981. This 19 percent reduction in burden hours represents an estimated savings to the taxpayer of between \$17 and \$25.5 million. Included in this effort were reports on programs combined in block grants under the Education Consolidation and Improvement Act of 1981, streamlining Pell Grant reports while adding information to guard against fraud and abuse, and reducing or eliminating burdensome reports associated with vocational education and vocational rehabilitation.

Human Resources Development Task Force. — The Office of Management established a Human Resources Development Task Force in FY 1981 to examine ways to improve employee morale and productivity. In FY 1982 the Task Force is expected to have leadership responsibilities in a series of activities to assist Department personnel affected by block grant legislation and the resulting reduction in workload. The Task Force will also identify strategies for making the best use of staff resources as the Department changes its role and mission.

Labor Relations. — The Federal Labor Relations Authority in FY 1981 ran an election in which Department employees nationwide voted on the union representation. The representative elected was Council 252 of the American Federation of Government Employees (AFGE). The Department met its responsibilities in this election in a timely and effective manner and an interim contract was negotiated with AFGE which extended a collective bargaining agreement previously applicable only to Office of Education headquarters employees to Department units nationwide. (The Office of Education was subsumed within the Department when it became operational in May 1980.)

Preparations for negotiation of a new master agreement were started in FY 1981, with negotiations beginning in early FY 1982. A nationwide labor-management relations structure was established, and training of management officials was begun to enable them to carry out their labor relations responsibilities.

Credit Management Improvement. — During FY 1981, the Office of Management, under the direction of the Controller, developed a comprehensive plan to improve credit management to meet the Administration's government-wide objectives to improve credit management practices and the collection of outstanding debts. This will speed collection of an estimated \$3 billion, strengthening management policies and practices to lessen future delinquencies and defaults. The Department's credit management improvement effort will be directed by a senior-level policy and oversight board.

Equal Employment Opportunities (EEO). — The Equal Employment Opportunity program handles allegations of discrimination because of race, color, religion, sex (including sexual harassment), national origin, age, or handicap within the Department. It is responsible for equal employment opportunity planning in the Department pursuant to Executive Order 11478; Public Law 92-261, the Equal Employment Opportunity Act of 1972; Public Law 93-112, the Vocational Rehabilitation Act of 1973; Public Law 93-259, the Age Discrimination in Employment Act; 29 Code of Federal Regulations 1613, Equal Employment Opportunity in the Federal Government; Equal Employment Opportunity Commission Management Directive 707; and Instructions for Affirmative Action (EEO) Program Plans for Minorities, Women, and Handicapped Employees.

Minority Business Enterprise. — The Task Force on Small, Minority, and Women-Owned Business Initiatives, established in FY 1981, reviewed issues to be addressed to ensure these firms the opportunity to receive contracts and grants for the Department. The Office of Small and Disadvantaged Business Utilization, as required by Public Law 95-507, will be established in FY 1982 to administer Department-wide responsibilities in this undertaking. The office will actively encourage the involvement of these businesses and establish a system that will match the specific capabilities of minority firms with the Department's contractual needs.

Office of Education for Overseas Dependents. — Since 1946, the Department of Defense Dependents' Schools (DoDDS) have educated children of U.S. military personnel abroad. These schools are located in 20 countries and serve approximately 136,000 students. This school system ranks as the 10th largest in student enrollment in the United States and employs approximately 11,000 teachers and staff in 270 schools and 6 regional offices.



The Department of Education Organization Act called for transfer of this school system to the Department of Education by May 1983. The Act directed the Secretary of Education to transmit a plan for the transfer to the Congress by May 4, 1981.

To carry out his mandate, the Office of Education for Overseas Dependents (OEOD) established joint task forces with the Department of Defense to make recommendations for the effective management of these schools if their transfer to the Department of Education receives final approval. OEOD also reviewed management operations and programs in the overseas regional offices and more than 100 schools, interviewing 170 groups of parents, teachers, school administrators, and students. A staff report made recommendations regarding increased participation of community members in school activities, personnel and financial management, organization, logistical support services, and education programs and services. The report formed the basis of a transfer plan submitted to the Congress as required on May 4, 1981.

Transfer of the DoDDS, first set for October 1981, was subsequently deferred until October 1982. However, both the Departments of Education and Defense concur in proposing legislation which will allow the DoDDS to remain under the Department of Defense. This legislation has been submitted to the Office of Management and Budget. Pending congressional action, OEOD continues to meet provisions of the Defense Dependents' Education Act, as amended by the Department of Education Organization Act, and assist as requested in the operation of overseas dependents' schools.

The Act requires the creation of an Advisory Council on Dependents' Education in the Department of Education. The Council's charter was signed by the Secretaries of Education and Defense in December 1980, and the Secretary of Education in cooperation with the Department of Defense selected members for appointment.

OEOD also helped develop regulations required by the Act to establish advisory committees which formally involve parents, teachers, students, and military commanders in the operation of the overseas schools at the military bases. It assisted in developing regulations for the work of the Overseas Dependents' Schools National Advisory Panel on the Education of Handicapped Dependents. The Panel is charged with making the Education for All Handicapped Children Act (P.L. 94-142) applicable to overseas dependents' schools.

Results of OEOD's survey of DoDDS teachers were provided to the Department of Defense for use in improving professional development of teachers in the overseas school system. In response to congressional interest in increasing community participation in schools for dependents of military personnel located in the United States (Section 6 schools), OEOD prepared a report on the operation of these school boards. The report provides guidance for the Advisory Council on Dependents' Education in developing recommendations.

## OFFICE OF THE DEPUTY UNDER SECRETARY FOR PLANNING, BUDGET, AND EVALUATION

The Deputy Under Secretary for Planning, Budget, and Evaluation (OPBE) is responsible to the Secretary for developing and managing the Department's planning and program-budgeting system. OPBE develops and monitors the Secretary's policy analysis agenda, and conducts program evaluation, technical planning, and analysis.

OPBE assists in formulating federal education policies and setting budgets for more than 150 Department programs. This process develops an overall framework for policy and translates that framework into budgetary, legislative, regulatory, and operational programs for review and approval by the President and the Congress.

OPBE reviews proposed legislation, regulations, and administrative orders or public announcements which affect policy, program plans, and budgets. The Office brings together the results of research, analysis, planning, implementation, and evaluation activities of all principal offices of the Department.

### FY 1981 Activities

OPBE assumed the lead responsibility within the Department for development of the Administration's block grant legislative proposals. The Congress enacted legislation entitled the Education Improvement and Consolidation Act of 1981. OPBE was also responsible for the analysis of options for restructuring the Department as a sub-Cabinet agency.

As part of the Department's deregulation initiative, OPBE conducted several regulatory impact analyses. Two analyses were particularly noteworthy. One concerned the probable impact on state and local education agencies of the Lau draft regulations proposed by the Carter Administration. Based on the Lau v. Nichols Supreme Court decision regarding children with limited English proficiency, the regulations would have required school districts to teach children in their native language as they learned English. The Secretary withdrew the regulations. The second analysis concerned regulations for Section 504 of the Rehabilitation Act of 1973 regarding education of the handicapped.

In June 1981, the Office of Program Evaluation was transferred to the newly formed Office of Planning, Budget, and Evaluation, and was merged with the former Office of Technical and Analytic Systems in a new Planning and Evaluation Service.

Also during the year a further reorganization of the Planning and Evaluation Service and the Budget and Program Analysis Service was planned, while the planning and budget process, evaluation studies, technical analyses, preparation of the policy analysis agenda, and preparation of the Annual Evaluation Report for FY 1981 moved ahead.

In keeping with the Administration's goal of reducing the growth of federal spending, most of OPBE's work for FY 81 involved budget reductions. The Office prepared three separate versions of the FY 1982 budget for submission to OMB and the Congress, including proposals to contain the spiraling cost in student aid programs.

## Goals for FY 1982

Deregulation will continue to be the subject of in-depth regulatory impact analyses conducted by OPBE in FY 82. Further opportunities will be sought for the consolidation of categorical programs and the reduction in federal spending while restoring responsibility and control of education to state and local governments.

In FY 1982, OPBE will continue to work closely with OMB and the Congress in developing an education budget which reflects the need to revitalize our nation's economy. OPBE plans to make progress in fully computerizing the Department's budget process so as to reduce the necessity for manual operations and the possibility of error in the system.

The two primary goals are to automate the submission and subsequent revisions of the FY 1983 submission to OMB, and the estimating of outlays that result from budget authority provided by the Congress.

OPBE includes in its goals the implementation and improvement of its policy analysis and completion of the agenda for FY 1982, and preparation of the Annual Evaluation Report for FY 1982. OPBE intends to increase the use by program managers and senior officials of its findings and recommendations in the areas of program planning, budget development, issues analysis, and long- and short-range policy development.

OPBE also plans, through joint review with representatives of state and local education agencies, to make federally sponsored policy analysis of greater use to these agencies in their program planning and evaluation.



## OFFICE OF THE DEPUTY UNDER SECRETARY FOR INTERGOVERNMENTAL AND INTERAGENCY AFFAIRS

The Deputy Under Secretary for Intergovernmental and Interagency Affairs provides leadership for the Department in its relations with state and local governments and other federal agencies.

Established in FY 1981 by combining two offices, the Office of the Deputy Under Secretary:

- o provides staff services for the Intergovernmental Advisory Council on Education and the Federal Interagency Committee on Education;
- o serves as principal liaison with other federal agencies, state and local governments, organizations, and education associations;
- o administers the Department's advisory committees;
- o advises on international affairs as related to intergovernmental and interagency education issues;
- o directs and supports the Education Appeal Board.

### Education Appeal Board

The jurisdiction of the Education Appeal Board (EAB) was expanded in FY 1981 to give the Board authority to review final audit and cost determinations and conduct cease and desist proceedings for most grant programs administered by the Department. Under this new jurisdiction, twenty appeals regarding education grants pending before the Department of Health and Human Services Grant Appeals Board were transferred to the Education Appeal Board.

The Board accepted 28 new appeals in FY 1981 (in addition to the twenty Grant Appeals Board cases transferred). Six were related to Title I (Elementary and Secondary Education Act) audits, nine to other categorical program audits, eleven to direct grant program audits, and two are nonaudit appeals. As FY 1981 ended, fifteen cases were before hearing panels and sixty-one cases awaited assignment.

In FY 1982, the Board looks forward to the resolution of the conflict between the Third and Fourth Circuits regarding the Department's authority to recover misspent funds awarded before 1978. Additional Secretarial appointments to the Board should reduce the number of cases pending.

## Intergovernmental Services Staff

The Office of Intergovernmental Services Staff helps carry out the Administration's objective of returning power and authority for education to state and local governments.

In addition to the eight White House-sponsored and eight Department-sponsored conferences (see list below), the Office participated in education association meetings and twenty-eight annual conferences of education governance organizations to explain the changing federal role in local-state-federal relationships.

The Office worked with White House and Office of Management and Budget staff to plan and conduct eight one-day White House-sponsored meetings for Governors, state legislators, heads of key executive agencies and chairmen of state boards of education, on legislation which consolidated categorical programs into block grants to state and local governments. Eight additional regional conferences, planned with the assistance of the Council of Chief State School Officers and hosted by state education agencies, were conducted to explain legislation which consolidates a number of Department programs. Also, the Office represented the Department on the Office of Management and Budget's Implementation Task Force on block grants and chaired the Department's intra-agency planning group on the implementation of block grant legislation.

Staff members participated in numerous national and state conferences to discuss the Administration's policy and future direction in education. Staff also met with delegations of foreign officials concerning American education and assisted in planning the White House Conference on Aging held in December 1981.

In FY 1982, OIIA will continue many of the activities described below. It will emphasize keeping the education community informed about the impact of decisions on the future of the Department and the federal education budget. In addition, it will participate in planning and implementing future education consolidation legislation, including the coordination of Department task forces and liaison with other federal agencies.

### White House- and Department-sponsored Conferences

#### White House Conference on Block Grants

<u>DATE</u>	<u>PLACE</u>
August 25, 1981	Region I/Boston
August 31, 1981	Region IV/Atlanta
September 3, 1981	Region V/Chicago



September 9, 1981	Region VI/Dallas
September 11, 1981	Regions II and III/Philadelphia
September 14, 1981	Region VII/Kansas City
September 16, 1981	Region VIII/Denver
September 18, 1981	Region IX/San Francisco

#### Education Consolidation Regional Conferences

<u>DATE</u>	<u>PLACE</u>
October 14, 1981	Dover, DE
October 16, 1981	Seattle, WA
October 20-21, 1981	Denver, CO
October 22-23, 1981	Indianapolis, IN
October 26-27, 1981	Atlanta, GA
October 28, 1981	Boston, MA
October 29-30, 1981	Austin, TX
November 2-3, 1981	Burlingame, CA

Goals and objectives for FY 1982 are twofold: (1) to provide information to state and local education personnel as they make the transition from categorical grant programs to block grants, and (2) assist in the consolidation of other education programs.

#### Intergovernmental Advisory Council on Education

The Intergovernmental Advisory Council on Education (IACE), established under Section 213 of the Department of Education Organization Act, is responsible for providing assistance and recommendations to the Secretary and the President regarding the effect of federal education policies on states and local school districts. The Council provides a forum for representatives of federal, state, and local government as well as public and private schools and colleges to discuss education policy, and makes recommendations to improve the administration and operation of federal education and education-related programs.

The Council met twice in FY 1981 -- November 12-13, 1980, in Denver, Colorado, and July 31, 1981, in Washington, D.C.

### Interagency Services

The Office of Interagency Services develops and carries out a wide variety of agreements with other federal agencies to improve federal performance and coordination.

### Arts Education

Forty-six separate Department programs provided \$35 million in support to about 600 art-related projects in 1981.

Goals for FY 1982. -- These include a program to publicize approximately ten exemplary arts programs in public elementary and secondary schools throughout the country, to encourage new interest and support for arts education outside the federal government; and to develop funding opportunities for the arts in education outside of the federal government.

### International Affairs

The International Affairs Staff coordinates the Department's participation in international activities with the U.S. Department of State and other federal agencies, the United Nations Educational, Scientific and Cultural Organization (UNESCO), the Organization for Economic Cooperation and Development (OECD), the Organization of American States (OAS), and other United Nations commissions.

The staff reviewed the UNESCO Medium Term Plan (1984-89) for policy guidance, providing comments for the U.S. delegation to the UNESCO Executive Board meetings held in FY 1981.

Extensive preparations were made during FY 1981 for the Thirty-Eighth International Conference on Education (held in November 1981) to which the United States sends a delegation, headed by the Secretary. The Conference is held by representatives of ministries of education to examine common problems and to report on developments internationally. Organized by the International Bureau of Education -- a subsidiary of UNESCO -- it offers the United States an opportunity to disseminate information on the progress of American education. A special report on U.S. education, Progress of Education in the United States of America, 1978-79 and 1979-80, was prepared in FY 1981 for this Conference.

## Committee Management

The Department administers twenty-three public advisory committees. The committees are one means by which public concerns and the expertise of advisory committee members can influence Department policies.

The functions and structure of advisory committees are established by statute or by the Secretary of Education. Advisory committee operations are governed by the Federal Advisory Committee Act, the General Education Provisions Act, and the Department's Committee Management Regulations.

The President appoints the members of nine committees; the Secretary appoints the members of the remaining fourteen. Since taking office, the Secretary has appointed forty-four members and approved the charters of eleven committees. The Department was responsible for twenty-one committees at the beginning of FY 1981. During the year, six committees were established and four terminated (see Appendix A).

On August 26, 1981, the Secretary established a National Commission on Excellence in Education to study the quality of learning and teaching in America and recommend to the Secretary and the President ways to improve academic excellence (see Office of Educational Research and Improvement).

In FY 1982 the Department will bring to a close the activities of four councils whose statutory authority ends because of the Omnibus Education Reconciliation Act of 1981: the Community Education Advisory Council, the National Advisory Council for Career Education, the National Advisory Council on the Education of Disadvantaged Children, and the National Advisory Council on Ethnic Heritage Studies.

## Federal Interagency Committee on Education

In FY 1981 the Secretary sent to the President a plan for operation of the Federal Interagency Committee on Education (FICE). Chaired by the Secretary, FICE provides coordination of education policy and programs in the executive branch.

The Committee includes representatives of the following sixteen federal departments and agencies operating education-related programs: the Departments of State, Agriculture, Labor, Housing and Urban Development, Health and Human Resources, Interior, and Education; the International Communication Agency; National Endowment for the Arts; National Endowment for the Humanities; National Science Foundation; Veterans Administration; Administration for Children, Youth, and Families; Office of Management and Budget; Office of Science and Technology Policy; the President's Domestic Policy Staff; and the Council of Economic Advisers.

Two FICE subcommittees established by the Secretary were active in FY 1981; one on education technology and the other on environmental education. Other topics to be taken up by the subcommittees are literacy, rural education, and vocational education.



## Public Participation/Special Concerns

The Public Participation and Special Concerns Staff is a new unit responsible for aiding the Deputy Under Secretary to fulfill the requirements of Executive Order 12160. The Order requires that parents, students, and the public have an opportunity to discuss education policies, programs, and procedures. To implement the Executive Order, the Special Concerns Staff will develop a plan to provide information and receive from the public the information useful to the Department in the discharge of its duties and responsibilities.

## Consumer Affairs

In FY 1981, the Consumer Affairs Staff, which also has responsibility for implementing Executive Order 12160, held a series of meetings with approximately ninety organizations to identify activities that might be carried out under the Executive Order.

The Student Liaison Office facilitates communication between the Department and students nationwide, advising Department officials on issues of concern to students. In FY 1981, the fourth in a series of student conferences with the Secretary was held. Eighty-five student leaders from across the country met with Department officials to share information and discuss programs in progress regarding students as peer counselors. A Peer Counseling Manual and a final report of recommendations for future action resulted from the conference.

In FY 1982, the Consumer Affairs Staff will complete the Departmental Consumer Affairs Program Plan and will consider sponsoring a National Symposium on Parent Involvement and the fifth Student-Secretary Conference.

## Asian and Pacific American Concerns Staff (APACS)

The staff coordinates and oversees the Department's response to education problems affecting Asian and Pacific Americans in the United States and in the Insular Areas of American Samoa, Guam, the Northern Mariana Islands, the Trust Territories of the Pacific Islands, and the Virgin Islands. The Office initiates and coordinates technical assistance, policy development, and the implementation of legislation which affects Asian and Pacific Americans. It also serves as the Department's liaison with the President's immediate staff and other federal departments concerning issues related to education policy for Asians and Pacific Americans.

In FY 1981, the staff developed, field tested, and produced a module for training Asian and Pacific American parents in the U.S., insular areas of America Samoa, Guam, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and the Virgin Islands to become more involved in their children's education. APACS cosponsored and participated in 15 education conferences to provide, as well as collect, information on major issues of concern to Asian/Pacific Americans.

## Black Concerns

In FY 1981, the Office worked with several national organizations to conduct workshops, miniconferences on career education, training conferences, and other joint efforts to disseminate information on education programs and policy. The office coordinated two special events: the observance of the Black History Month Commemorative Program and a celebration of the birthday of Martin Luther King, Jr.

In FY 1982, liaison between national organizations and the Department will be improved.

## Handicapped Concerns

In FY 1981 the Office planned, in conjunction with the International Year of Disabled Persons, an October 1981 celebration of the contributions of the disabled in education, the arts, science, athletics, and mass media. Concerned with the access of disabled students to postsecondary education, the Director of HCS is a member of the Project HEATH/Closer Look Resource Center Advisory Board, and has developed an intra-agency agreement between the Rehabilitation Services Administration and the Office of Postsecondary Education on the coordination of aid to disabled students attending postsecondary schools -- an agreement which will be evaluated under contract in FY 1982.

Intra-agency agreements between the Migrant Education Program (MEP) and the Special Education Program (SEP), allowing for the transfer of handicapped migrant student records as students move from school to school within or between states, were also developed in FY 1981.

Procedures were developed in FY 1981 to recruit and place qualified handicapped persons on advisory committees and review panels. Interpreters and reader services for hearing and visually impaired employees and those attending Department-sponsored meetings were provided. A question-and-answer guide on federal policies and regulations affecting handicapped employees was prepared and a semiannual review of the accessibility of Department facilities to the handicapped was conducted.

## Hispanic Concerns

Important activities culminated in FY 1981: a composite report on issues and recommendations for the education of Hispanics resulted from one national and five regional conferences held between 1978 and 1980; a national network of Hispanic educators was established to keep the Hispanic community informed on education trends and developments and to keep the Department informed about their impact; technical assistance was provided to Department program managers in their efforts to provide services to Hispanics; and a national Hispanic group of small businesses was established to foster increased awards of contracts and grants to Hispanic firms.

## Women's Concerns

Issues of primary concern to women were considered in FY 1981 as plans to address these issues were developed. The staff sponsored a meeting for national women's organizations concerning the block grant legislation of the Education Consolidation and Improvement Act of 1981.

In FY 1982 the staff will revise some reports and bulletins issued earlier, particularly those listing funding opportunities for women's projects and scholarship and other financial aid resources. The office plans to reactivate the Department's women's programs, developing a plan in conjunction with the Equal Employment Opportunity Office and the Horace Mann Learning Center to sponsor training sessions. Conferees will discuss the differences, similarities, and value systems among various ethnic groups. The conference proceedings will be used to prepare a brochure on stereotyping of minority women and children.



## OFFICE OF THE INSPECTOR GENERAL

The Office of the Inspector General (OIG) was established in accordance with the provisions of the Inspector General Act of 1978. Under the Act, the Inspector General:

- o conducts and supervises audits and investigations of Department programs and operations;
- o provides leadership, coordination, and policy recommendations intended to promote economy, efficiency, and effectiveness in the administration of Department programs and operations as well as to prevent and detect fraud and abuse;
- o keeps the Secretary and the Congress fully and currently informed about problems and deficiencies in Department activities, and the need for and progress of actions to correct such deficiencies;
- o reviews existing and proposed legislation and regulations to protect and enhance the integrity and effectiveness of the Department's programs and operations.

### Audit Activities

OIG audit functions are performed by a staff of approximately 180 auditors and other professionals located in Washington, D.C., and in the Department's 10 regional offices. The audit staff represents about two-thirds of the OIG work force and has overall audit responsibility for all Department expenditures.

The magnitude of the audit workload is indicated in part by the 5,000 internal, grant, and contract audit reports issued or processed by OIG in FY 1981.

Audits contributed significantly to the Department's efforts to achieve economy and efficiency. In audit reports completed during FY 1981, OIG questioned or disallowed costs of about \$109 million. In audit reports resolved during FY 1981, program managers sustained and marked for recovery approximately \$35 million of the costs questioned. Auditors also identified avoidable costs of about \$4.3 million and were instrumental in Department actions to impose administrative fines of about \$3 million.

OIG audit reports also included a number of recommendations for improving efficiency and economy and strengthening internal control mechanisms and procedures against potential fraud and abuse.

## Investigations Lead to 46 Indictments

The investigative staff is located in Washington, D.C., and in the 10 regional offices. Investigators review and evaluate allegations of illegal or unethical practices related to Department programs and operations. These allegations come from many sources, including the General Accounting Office, OIG "Hotlines," state agencies, education institutions, and referrals from the Congress, program officials, and auditors.

In FY 1981, OIG initiated 328 investigations and completed 207. A total of 101 cases were referred to U.S. attorneys; 53 of these were accepted for prosecution, resulting in 46 indictments and 28 convictions.

By far the largest number of OIG's investigations involved student financial assistance programs. Falsification of application documents for loans and grants, and misapplication of student financial assistance funds by institutions, constituted the two major types of fraud schemes uncovered.

## Controlling Waste and Fraud

The OIG's fraud control staff conducts research and special studies to assess the Department's vulnerability to fraud, waste, and mismanagement and operates the Department's telephone "Hotline" (202) 755-2770. The "Hotline" provides a direct line of communication to the OIG for reports of suspected fraud, abuse, or mismanagement. Since its inception in August 1980, OIG has received 158 complaints, including 52 referred by the General Accounting Office. Of the 92 complaints closed about 20 percent have been substantiated in whole or in part and have led to corrective actions by Department officials. The largest number of complaints received (45) concerned charges of institutional fraud or misuse of funds. The second largest category (27) dealt with suspected fraud in Department grants and contracts.

To heighten employee awareness of the responsibility for prevention of fraud, waste, and mismanagement, the OIG issued the first in a series of Inspector General Integrity Guides, dealing with standards of conduct.

During the past year, the Secretary established a Committee on Fraud, Waste, and Mismanagement to be chaired by the Inspector General and composed of Department Assistant Secretaries and other principal officials. The purpose of the Committee is to lead and coordinate the effort to eliminate the problems of concern, a goal designated by the Secretary as one of 12 major goals for the Department in FY 1981.

## President's Council on Integrity and Efficiency

The Department's Inspector General is a member of the President's Council on Integrity and Efficiency. The Council was established by the President on March 26, 1981, to coordinate a government-wide attack on fraud, waste, and mismanagement in the conduct of federal activities. The Council is composed of all 18 Inspectors General as well as other high-level officials from various federal agencies.



In FY 1981, OIG participated in several initiatives developed by the President's Council, including:

- o Determining the need for legislative action to assist executive agencies in managing government property and equipment;
- o determining whether federal agencies are administering imprest funds prudently and in accordance with applicable laws and regulations;
- o identifying by computer matching federal employees or retirees who are erroneously or fraudulently receiving government payments and initiating recovery efforts.

#### Priorities and Plans for FY 1982

In FY 1982, OIG expects to benefit from experience gained in FY 1981 by focusing on programs and activities where problems are known to exist or are suspected, to make maximum use of its resources. It will also concentrate on completing congressionally mandated audits in the areas of elementary and secondary education and vocational education. Reviews of the Department's internal activities will also receive attention.

Planned internal reviews include: the Pell Grant program; Office of Student Financial Assistance collection activities; default prevention on Guaranteed and National Direct Student Loans; and financial system reviews and control over federally owned property held by contractors and grantees.

The OIG will continue to work closely with Department managers to expedite the audit resolution process and reduce fraud, waste, and mismanagement through its leadership role in the Secretary's newly established Committee on Fraud, Waste, and Mismanagement.

In the investigative area, OIG will formalize investigative strategies and establish priorities for making the best use of its resources. As in the past, OIG will allocate resources as necessary to satisfy audit and investigative requirements initiated by OMB, the Congress, and the President's Council on Integrity and Efficiency. OIG will also schedule, to the extent possible, audits requested by program officials within the Department.

A more detailed report on OIG activities is published semiannually and provided to the Secretary and the Congress in accordance with the requirements of the Inspector General Act. Copies of the reports are available to the general public upon request.

## OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

The Office of Elementary and Secondary Education (OESE), which in FY 1981 administered 45 separate programs with a budget of \$4.2 billion, is one of the Department's largest and most diverse units.

OESE provided financial assistance to state and local education agencies (SEA's and LEA's) to help maintain and improve preschool, elementary, and secondary education in both public and private schools in a partnership which promotes equal educational opportunities and educational excellence for all children.

### Compensatory Education Programs Serve the Disadvantaged

#### Title I, Elementary and Secondary Education Act of 1965

Under Title I, OESE awarded \$2.7 billion to support compensatory education programs in local school districts and state agencies in FY 1981 which provide supplementary education programs to approximately 5.3 million educationally deprived children. Over 78 percent of these children are in elementary schools, with the remaining 22 percent in grades 7-12.

In FY 1981, all states employed a standardized evaluation system to collect and evaluate the student performance and achievement presented in their annual reports. The data indicate improvement across all grades in reading, language arts, and mathematics achievement for Title I students.

#### Migrant Education Programs (MEP)

Also a part of Title I, Migrant Education assisted 49 states, the District of Columbia, and Puerto Rico by awarding \$268.9 million to provide educational services to approximately 550,000 children of migratory agricultural workers or of migratory fishers during the fiscal year, an increase of 150,000 children. Two additional states, New Hampshire and Rhode Island, joined the service system.

Continued expansion of the information and services provided by the Migrant Student Record Transfer System was a major accomplishment.

Another major accomplishment was the development of an agreement between the Office of Special Education and the Migrant Education Programs Office to coordinate and improve the delivery of services to handicapped migratory children.

High School Equivalency Program (HEP) and College Assistance Migrant Program (CAMP). — Awarding \$6.1 million among 18 HEP projects and \$1.2 million among 5 CAMP projects in FY 1981, MEP conducted the first discretionary grant awards for the High School Equivalency Program and College Assistance Migrant Program since these programs were transferred from the Department of Labor in FY 1980.

HEP and CAMP fund projects through colleges and universities and other nonprofit agencies which furnish academic services and financial assistance to migratory students. This helps students obtain the equivalent of a secondary school diploma, find a job, or go on to college or other training.

#### Follow Through

The Follow Through Program helped local school districts provide instructional and related services to 41,500 students, assisted sponsoring institutions in innovative approaches to early childhood education, and supported demonstration and dissemination efforts by funding resource centers with awards of \$26.2 million. An additional \$700,000 was transferred to the National Institute of Education for research activities.

#### Educational Support Programs

#### Impact Aid

In FY 1981, \$756.7 million went directly to school districts. The Impact Aid Program served 340,000 category "A" children who resided on and whose parents worked on federal property or were in the uniformed services and 1,905,000 category "B" children who resided on or whose parents worked on federal property or were in the uniformed services.

During FY 1981, OESE assisted 11 school districts in seven states to restore disaster-damaged facilities, providing funds to 91 school districts in six states which suffered major disasters during the latter part of FY 1980. A total of 80 grants were provided for school construction, including the construction of facilities for children who live on Indian lands.

#### Title IV-C, Elementary and Secondary Education Act of 1965

Title IV-C assists states and local school districts with awards of \$66.1 million to the states in FY 1981 funding more than 6,000 local projects. Instruction was provided by over 365,000 teachers for the benefit of more than nine million public and private school students in 20 areas of curriculum and school services.



Title V-B, Elementary and Secondary Education Act of 1965

Title V-B, designed to improve the quality of education at the state level, awarded approximately \$42 million in FY 1981 to develop and improve state capabilities.

Career Education

The Career Education Program assisted SEA's, LEA's, and other institutions in making career education an integral part of elementary and secondary education, awarding approximately \$10 million during FY 1981. The program emphasized career education for the young through increased collaboration between the LEA's and community-based organizations.

Teacher Centers

The Teacher Centers Program provides public and private elementary and secondary schools with opportunities to develop training and curriculum materials. The Department awarded \$9.1 million to 72 projects with at least one Teacher Center project in each state. Approximately 10 percent of the nation's teachers were reached through the 100 Teacher Centers supported.

Other Educational Support Programs

Two other programs, Ellender Fellowships and General Assistance to the Virgin Islands, provided \$1 million and \$2.7 million, respectively, to special populations.

Equal Education Opportunity Programs

Emergency School Aid Act (ESAA)

Through ESAA, the Department assisted 482 school districts and over 800 projects in efforts to eliminate minority group segregation and discrimination among students and faculty, encouraging voluntary elimination, reduction, or prevention of minority isolation in schools with substantial populations of minority students. FY 1981 grants totaling \$144.3 million were awarded to cities including Buffalo (NY), Chicago (IL), Dallas (TX), Louisville (KY), Los Angeles (CA), Miami (FL), Milwaukee (WI), Philadelphia (PA), Seattle (WA), and Tucson (AZ).



#### Title IV, Civil Rights Act of 1964

Desegregation assistance was provided to LEA's under Title IV to support efforts to eliminate discrimination through grants totaling approximately \$37.1 million. These grants were awarded to 159 LEA's, 89 SEA's, Desegregation Assistance Centers (DAC's), and training institutions; and 71 public and private institutions. Cities receiving FY 1981 grants include Baltimore (MD), Columbus (OH), Detroit (MI), Kansas City (MO), Nashville (TN), New York (NY), Orlando (FL), Richmond (VA), San Francisco (CA), and Wilmington (DE). Indirect assistance to LEA's was provided through grants to DAC's, SEA's, and training institutes, each specializing in efforts to eliminate discrimination. New DAC service areas were established to provide assistance to Alaska, Hawaii, and the Trust Territories.

#### Indian Education Programs (IEP)

OESE assisted 1,016 LEA's, 36 tribal schools, institutions of higher education, and Indian tribes and organizations in addressing the special educational needs of over 297,000 Indian students and 15,700 Indian adults in FY 1981, awarding \$78.2 million for activities ranging from preschool education to study for advanced degrees. Federal funds promoted increased participation of Indians in the professions of medicine, law, engineering, business administration, and natural resources through 193 Indian fellowships given to students at 83 colleges and universities. Indian Education funds assisted programs through which 2,900 Indians received high school equivalency certificates.

#### School Improvement Program

Transferred to OESE in FY 1981 from the Office of Educational Research and Improvement, the School Improvement Program (SIP) assists state and local education agencies, private schools, and educational institutions.

#### Basic Skills Improvement Program

The Basic Skills Improvement Program, initiated in FY 1980, expanded the Right-To-Read Program to include mathematics and oral and written communication. Approximately \$31.4 million was provided in FY 1981 for in-school and out-of-school projects, technical assistance, dissemination, and the distribution of inexpensive books, with worldwide dissemination of the handbook Promising Practices in Pre-Elementary Right-To-Read Programs, and national distribution of other materials related to basic skills.

### Arts in Education Program

The Arts in Education Program stimulated the integration of the arts into the education system by bringing together schools and community art resources. Awards totaling \$3.1 million in FY 1981 included funds to the National Committee/Arts for the Handicapped and to the John F. Kennedy Center for the Performing Arts.

### Alcohol and Drug Abuse Education Program

Department-funded Alcohol and Drug Abuse Education Regional Training and Resource Centers assisted SEA's and LEA's in developing intensive 2-week training programs and follow-up technical assistance to interdisciplinary teams from 100 junior high schools. Field training was also provided to 360 school teams.

With \$2.8 million in FY 1981, over 672,000 young people and 8,400 education personnel benefited from training in the prevention of alcohol and drug abuse and problems such as truancy, school violence, dropouts, and runaways through a national training system of five Regional T&R Centers, a National Data Base, and Program Support Project.

### Law-Related Education Program

The Law-Related Education Program awarded \$1 million in FY 1981 to support projects in 21 states and the District of Columbia to educate the public about the American legal system and the principles on which it is based. This program assists youngsters in understanding their responsibilities as citizens through interaction with community officials, mock trial competitions, tours of courthouses and prisons, and student internships with civic agencies.

### Ethnic Heritage Studies Program

This Program awarded \$2.2 million to assist in the development of ethnic studies curriculum, teacher training, and dissemination activities.

### Gifted and Talented Program

The Gifted and Talented Program, formerly in the Office of Special Education and Rehabilitative Services, enhances states' abilities to educate about 2.5 million gifted or talented youngsters.

The Department awarded \$5.6 million in FY 1981, in assisting LEA's in better educating these children through personnel preparation activities funded by this Program.

### Urban Initiatives Program

The Urban Initiatives Program provided \$3 million in assistance to 3 innovative demonstration projects in 12 urban areas which successfully combine social and educational services, with the school as a focal point. The projects helped identify the means to carry out practical improvements in providing services to students and their families and improve the atmosphere for learning in schools, increase community and parental involvement, and instill a sense of responsibility in students.

### Women's Educational Equity Program

The Women's Educational Equity Program awarded \$8.1 million in FY 1981 to support national demonstration, development, dissemination and replication activities and assist institutions in complying with the requirements of Title IX of the Education Amendments of 1972.

Providing programs of this kind for replication by state and local education agencies, colleges and universities, and community groups and organizations has been a major source of assistance to school administrators, teachers, counselors, parents, and others in their efforts to eliminate discrimination based on sex.

### Enhancing Quality

OESE continued to support the development, recognition, and promotion of exemplary education practices. A number of OESE-funded projects were submitted in FY 1981 to the Department's Joint Dissemination Review Panel (JDRP) with twenty-seven Follow Through projects and one Title I project cited as exemplary.

Fourteen Title IV-C projects cited before FY 1981 were disseminated through the NDN. Twenty-one exemplary Follow Through projects continued to serve as resource centers for local projects, with more than 325 communities adopting successful practices demonstrated by these centers. In addition to identifying programs that work, Title I Technical Assistance Centers (TAC's) began to identify practices which improve school achievement.

A national conference was held in FY 1981 for state and local education agency officials to inform them about the administration of Title IV-C programs, and provide for the sharing of successful practices.

### Evaluation

Evaluation of several OESE programs continued or was completed in FY 1981. The Sustaining Effects Study on the achievement of Title I students -- initiated in 1975 -- indicated that Title I students gained more in reading for grades one through three than non-Title I students in the same grades and locations.



Although Title I students in grades four through six maintained their level of achievement, they did not do significantly better in reading than non-Title I students. In mathematics, Title I students made greater gains than non-Title I students in each grade, one through six.

Another study funded by the Department, the 1981 National Assessment of Educational Progress, indicated that increased attention to language and reading development had positive effects on the performance of young students over the past decade.

An impact study of the Title IV-C program to improve local educational practice, published in July 1981, revealed that after federal funding expired, 87 percent of the projects continued with local funding. Of these, 38 percent expanded in scope through transfer to additional sites in the LEA or through more extensive instruction at the original location.

Evaluation of the Career Education Incentive Act (P.L. 95-207), conducted under contract, was completed in FY 1981. The study found that progress has been made at the national, state, and local levels in developing commitment to career education throughout the K-12 education system.

In keeping with the collaborative nature of career education, the study found that considerable resources were being provided to career education by other state and federal education programs and by the private sector, including business, labor, and industry as well as professional, government, civic, and community organizations.

Many facets of the Indian Education Program (IEP) underwent review in FY 1981. The impact of the Indian Education Act's Parts B and C (Special Programs for Indian Students and Adults, respectively) was evaluated under contract, with the final report to be released in FY 1982.

A tracking study of higher education students supported under Parts B and C will be completed in FY 1982. Another Part C study, The Educational Attainment and Performance of Indian Adults, profiles Indian employment patterns, housing, and health. An evaluation of the Part A entitlement program (funds to local districts) was also begun in FY 1981 and will be completed in FY 1982.

#### Easing the Burden of Regulations

In keeping with the Administration's efforts to reduce the federal rules and paper-work requirements on state and local education agencies and other institutions receiving federal assistance, OESE reviewed 34 sets of program regulations in FY 1981. The Migrant Education Programs published final regulations in the July 6, 1981, Federal Register for the HEP and CAMP programs. The new regulations significantly reduce recordkeeping and other compliance burdens. Review of the remaining regulations is expected to be completed in FY 1982.



The Impact Aid Office made several management improvements by examining procedures and administration. In an effort to make payments in a more timely manner, and in keeping with the Department's goal of reducing the burden of paperwork, the annual application was redesigned to permit further computerization. Instructions were reduced to four pages and the burden of paperwork eliminated will save 25,000 hours of reporting.

An OESE study examined the special problems of small and rural schools. Equitable treatment of rural areas as they attempt to meet federal requirements will continue to be a priority in FY 1982.

#### Transition and Consolidation

To give state and local education agencies more flexibility in using federal funds, the Reagan Administration proposed and the Congress enacted the Education Consolidation and Improvement Act (ECIA) of 1981 (P.L. 97-35).

Chapter 1 of ECIA became law October 1, 1981, and will be implemented October 1, 1982. ECIA consolidates Title I programs, including basic grants to local education agencies, Neglected and Delinquent Programs, Migrant Programs, State Administration, and Concentration Grants to LEA's.

Chapter 2, effective October 1, 1981, consolidates 31 individual elementary and secondary activities into a single block grant to the states. Assistance under Chapter 2 is to be targeted for three general purposes:

- o Basic Skills Improvement
- o Educational Improvement and Support Services
- o Special Projects

The Secretary's Discretionary Fund, also a part of Chapter 2, will support three OESE programs and one program from the Office of Educational Research and Improvement:

- o Inexpensive Book Distribution (Reading Is Fundamental)
- o Arts in Education (National Programs)
- o Alcohol and Drug Abuse Education
- o National Diffusion Network (OERI)

OESE will continue to assist state and local education agencies in providing quality education for all children.

## OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES

The Office of Special Education and Rehabilitative Services (OSERS) assists in the education of handicapped children and the rehabilitation of disabled adults and conducts research to improve the lives of the handicapped regardless of their age.

The Office's three major components are: Special Education Programs (SEP), formerly the Office of Special Education, the Rehabilitation Services Administration (RSA), and the National Institute of Handicapped Research (NIHR). The Office administered more than 20 programs at a funding level of more than \$2.1 billion in fiscal year 1981. More than five million children and adults received the benefits of these programs.

### Support Services

The Office for External Affairs provides general direction and support to three components: the Office of Information and Resources for the Handicapped, including the Clearinghouse on the Handicapped; the National Council on the Handicapped; and the Secretariat for the International Year of Disabled Persons.

The Office of Information and Resources for the Handicapped. -- The Office administers a \$900,000 program which trains interpreters for the deaf. Last year 10 of these programs operated throughout the country, increasing the number of interpreters and upgrading the skills of those already trained.

Clearinghouse on the Handicapped. -- The Clearinghouse responds to inquiries about federally supported programs serving the disabled and federal legislation affecting the handicapped. The Clearinghouse bimonthly publication Programs for the Handicapped reports on federal activities regarding the handicapped.

The National Council on the Handicapped (NCH). -- The Council reviews and evaluates federal policies, programs, and activities concerning the handicapped and advises the Assistant Secretary for Special Education and Rehabilitative Services, the Director of NIHR, and the Commissioner of RSA about the development of programs carried out under the Rehabilitation Act, and establishes general policies for NIHR.

The Council received reports from senior officials of the Social Security Administration, Administration on Developmental Disabilities, Human Development Services, the Special Assistant to the President for Consumer Affairs, and staff of congressional committees with jurisdiction over handicapped legislation.

Meetings of the NCH included panels on the demographics of disability, technical studies, and a forum on "The Place of Disabled Persons in Our Economy" held in cooperation with the President's Committee on Employment of the Handicapped. During 1981, a Statement of Policies Governing NIHR was developed, approved, and submitted to NIHR. It is available to the public.

The International Year of Disabled Persons (IYDP). — Federal involvement in the IYDP was coordinated by the Federal Interagency Committee under the joint chairmanship of the Departments of Education, State, and Health and Human Services.

This effort was supported by the White House, the Congress, and the nation at large. In all, 300 projects, programs, and activities were scheduled as 45 federal agencies became involved in the IYDP.

#### Future Plans

In FY 1982, OSERS will continue to reduce the regulatory burden on state and local grantees by streamlining regulations (particularly those in P.L. 94-142), reducing paperwork, and placing more reliance on states for monitoring activities. OSERS will reduce the intrusiveness of the federal government without diminishing the quality of services for handicapped persons.

#### OFFICE OF SPECIAL EDUCATION PROGRAMS

Programs administered by the Office of Special Education are authorized by the Education for All Handicapped Children Act of 1975 (P.L. 94-142) and other federal legislation designed to enhance educational opportunities for the nation's handicapped youth.

Congressional appropriations for education for the handicapped have grown from about \$1 million for personnel training in 1958 to more than \$1 billion for a variety of programs in FY 1981. While the monetary commitment has increased over a period of decades, some of the most dramatic changes have occurred since Public Law 94-142 went into effect in 1976. Since that time, states and localities have made important gains not only in locating and identifying handicapped children but also in developing programs which offer these children a free, appropriate public education.

An estimated 500,000 additional children received services in the 1980-81 school year as compared to 1976-77. During the 1980-81 school year, the total number of children receiving special education services approached 4.2 million.

Programs have expanded for such populations as preschoolers (children under age 5), secondary level handicapped students and young adults 18 through 21, and the severely handicapped.

The states are increasingly complying with the legal requirement that handicapped students should be placed in "the least restrictive environment." Currently, 68 percent of handicapped children receiving special education and related services receive a significant part of their education in regular classes. An additional 26 percent are in separate classes in regular school buildings. States have now developed their own monitoring procedures and have trained staff to identify and resolve complaints.



## Program Highlights

The Office of Special Education Programs (SEP) administers 10 discretionary grant/contract programs to support state efforts to ensure all handicapped children a "free appropriate public education," as mandated by law.

These programs focus on personnel preparation, early childhood education, education for the severely handicapped, vocational and adult education, and media and technology. The discretionary programs complement SEP's administrative efforts to meet the mandate of Public Law 94-142.

In FY 1981, funds were awarded for preservice training of 5,438 special education teachers and 1,255 support personnel and for inservice training of 59,000 teachers, including 22,000 regular education teachers.

Other discretionary programs include: an early childhood education program which develops and demonstrates experimental education practices effective with very young handicapped children; a regional postsecondary program which helps handicapped persons to benefit from technical-vocational, postsecondary, or adult education; and programs designed for the severely handicapped.

To develop and disseminate ways of serving handicapped children, SEP supports a broad range of research ranging from student and field-initiated research to longer-term research institutes and technical assistance.

Recent advances in media and communication technology offer great promise to the handicapped. SEP's media services and captioned films programs are designed to develop, adapt, and disseminate innovative applications of educational media, materials, and technology for the handicapped ranging from closed-captioned television for hearing-impaired students and recordings for blind students to the development of videodiscs and microcomputers for application of this technology to instructional program models for handicapped children.

SEP supports the Regional Resource Center Program that assists in providing coordinated services to handicapped children and that assists families in gaining access to these services. Twelve regional centers help states identify persistent problems related to educationally handicapped children, and then assist in solving these problems. The centers are excellent vehicles for expanding the dissemination of research and technological developments.

## Reducing Paperwork and Simplifying Administrative Procedures

SEP changed some administrative procedures in response to the expanded capacity of state and local education agencies to implement the provisions of the law. SEP also streamlined procedures to reduce paperwork at the state level.



Significant efforts centered around review of Public Law 94-142 regulations in line with an executive order requiring the federal government to reduce the burden and cost of regulations. The review provides an opportunity to further the goals of Public Law 94-142, improve regulations by virtue of the experience gained in implementing the law, and strengthen the leadership of state and local education agencies.

#### Future Goals

In addition to reducing the burden of paperwork and streamlining regulations, SEP will promote joint training arrangements between local education agencies and institutions of higher education, and will train practitioners in vocational education and rehabilitation services which help secondary handicapped students achieve a successful transition from school to employment.

In the complementary discretionary programs, emphasis will continue to be placed on the severely handicapped and secondary level students, and on vocational education, rehabilitation, and service delivery to rural and urban areas. Information on the problems and solutions states and localities find in implementing the law, and models of successful practices, will be given to other states and localities.

#### REHABILITATION SERVICES ADMINISTRATION

The Rehabilitation Services Administration oversees programs which assist physically or mentally handicapped individuals to obtain employment and live independently through counseling, medical and psychological services, job training, and individualized services.

The largest program awards grants to state vocational rehabilitation (VR) agencies to support vocational rehabilitation, for severely handicapped persons. RSA provides 80 percent of the funding for these state programs.

Estimates show that rehabilitation results in more than a \$250-million increase in tax payments to all levels of government and reductions in public dependency in the first year after rehabilitation is completed.

The Helen Keller National Center for Deaf Blind Youths and Adults demonstrates the value of specialized services, training, research, and public education to rehabilitate persons who are both deaf and blind. In FY 1981, the Center continued to serve more than 800 blind persons nationwide and significantly expanded training programs for resident deaf-blind clients.

## Developmental Programs

The Rehabilitation Services Administration supports a number of special grant programs to assist the severely disabled in their vocational and independent living rehabilitation efforts and to ensure an adequate supply of skilled rehabilitation personnel. Fiscal year 1981 grant activities emphasized projects which enhance state vocational rehabilitation agency activities for the severely disabled.

Special Projects and Demonstrations. — This program expands and improves rehabilitation services for severely handicapped individuals. Eleven new projects were initiated in FY 1981 in the following categories:

- spinal cord injury (3);
- general (2);
- mental illness (2);
- mental retardation (2);
- rheumatoid arthritis (1);
- and for the first time under this program, a learning disability project.

Two general projects address the multiple disability handicaps of deaf-blindness and cerebral palsy-multiple sclerosis. At the close of FY 1981, special projects for severely handicapped individuals had expanded:

- spinal cord injury (17);
- general (15);
- mental retardation (4);
- rheumatoid arthritis (1);
- learning disabled (1);
- blindness (3);
- deafness (2);
- cerebral palsy (1);
- multiple sclerosis (2);
- epilepsy (1).

Handicapped Migrant Workers. -- State rehabilitation agencies provide vocational rehabilitation services under projects which serve handicapped migratory and seasonal farm workers. Due to the high mobility, service delivery cannot always be provided in the traditional manner, and other methods have been developed and demonstrated. In FY 1981 approximately 3,500 people were served by 16 projects.

Handicapped American Indians. -- Under a new program funded for the first time in FY 1981, a grant was made to the Navaho Tribe to establish a vocational rehabilitation service program for the disabled living on the Navaho Reservation.

Client Assistance Projects. -- These projects provide ombudsmen who work directly with clients and state vocational rehabilitation officials. Approximately 8,000 persons were served by these projects in FY 1981.

Recreational Services. -- Fiscal year 1981 was the first year in which grants were made to provide recreational programs for the handicapped and to construct facilities to demonstrate methods of making recreational activities fully accessible to the handicapped. A total of 33 projects were funded.

Comprehensive Rehabilitation Centers. -- The concept of a comprehensive rehabilitation center is flexible and can encompass a combination or variety of facilities which the community determines will achieve the best results in enabling the handicapped to receive services from available resources. Grants are awarded to state vocational rehabilitation agencies. Ten awards were made to state agencies in nine regions of the country during fiscal year 1981.

Independent Living Rehabilitation. -- This program provides services to the severely handicapped who cannot be rehabilitated vocationally but who may benefit from services enabling them to live more independently. In FY 1981, RSA grants funded 148 centers which coordinate client services, equipment maintenance and repair, and social or recreational services.

Technical Assistance. -- Technical assistance is furnished directly, or by contract with state vocational rehabilitation agencies, or with experts or consultants to: (a) public and nonprofit rehabilitation facilities in matters of professional or business practice within the facility; and (b) public and nonprofit agencies, institutions, organizations, or facilities for planning the removal of architectural and transportation barriers. Federal funds paid the entire cost of 250 technical assistance consultants in FY 1981.

Training Grants. — Rehabilitation training grants ensure that skilled professionals are available to provide vocational rehabilitation services to severely handicapped people. Four-hundred projects supported in 1981 helped train medical specialists, mobility instructors for the blind, rehabilitation counselors, facility administrators, vocational evaluators, and interpreters for the deaf.

#### Goals for FY 1982

The primary emphasis in FY 1982 will be on serving and rehabilitating the severely handicapped with special efforts made to improve the efficiency, quality, and effectiveness of the service delivery system. Emphasis will also be placed on increasing the numbers of handicapped individuals entering competitive employment, with special attention given to using "Projects With Industry."

#### NATIONAL INSTITUTE OF HANDICAPPED RESEARCH

The National Institute of Handicapped Research (NIHR) conducts research programs to improve rehabilitation services.

#### Planning for Rehabilitation

NIHR is mandated to prepare a long-range plan for research on the handicapped, coordinated between the federal and private sectors. Several aspects of the plan were implemented during FY 1981 and preparations were begun for a full-scale revision in FY 1982.

#### Coordinating Handicapped Research

Charged with coordinating the handicapped research efforts of all federal agencies, the Interagency Committee on Handicapped Research (ICHR) has representatives from 20 federal agencies.

The ICHR's subcommittees on technology, demographics, medical research, and low vision met regularly.



## Results

During FY 1981, the total NIHR program budget was \$29,750,000. These funds were used for: (1) Research and Training Centers, \$16 million; (2) Rehabilitation Engineering Centers, \$8 million; (3) Research Program Administration (Research and Demonstration Projects), \$3 million; and (4) Research Utilization and Dissemination, \$2,650,000.

In addition, international research activities used approximately \$100,000. The funds for these projects come from excess foreign currencies maintained by U.S. Embassies in eight countries.

Rehabilitation Engineering Centers. — The NIHR funded 15 Rehabilitation Engineering Centers (REC's) in FY 1981. Two examples highlight recent research results.

- o At Rancho Los Amigos Hospital in Downey, California, researchers have developed and evaluated a clinical program for the treatment of progressive spinal curvature deformities, using transcutaneous electrical neuromuscular stimulation. This included the design and production of a portable muscle stimulator and the development of appropriate surface electrodes. Followup data suggest that this treatment method has stopped curvature progress in 96 percent of the cases in this population, while eliminating the need for any external bracing or surgical correction.
- o One of the major accomplishments at Northwestern University's REC during FY 1981 was the release of the Anterior Cruciate Retaining Knee Component. This new tibial component of a total knee prosthesis was the result of several years of laboratory effort. Through continued research, the component was redesigned to reduce interface stresses which, in turn, reduced loosening incidence and offered a more reliable knee joint replacement.

Research and Training Centers. -- The NIHR funded 24 Research and Training Centers (RTC's).

Some examples of RTC interagency activities are:

- o Feasibility study of a jointly funded Research and Training Center for rehabilitation needs of Native Americans (with Indian Health Services).

- o Development of an action plan to improve service delivery to psychiatrically disabled persons (with the National Institute of Mental Health).
- o Establishment of a model on interagency cooperation to increase employment opportunities for the severely disabled (with the Office of Personnel Management).

Additional accomplishments included:

- o Development of a program evaluation model on the processes and outcomes in integrating service components to meet the needs of the severely mentally retarded person.
- o Development of a model for vocational evaluation and programing for the developmentally disabled in secondary school systems.
- o Development of a service model designed to help vocational rehabilitation agencies accommodate the severely handicapped.
- o Development of cost effective ways to improve general work skills of severely retarded adults to enable them to be qualified for regular sheltered work programs.

Research and Demonstration Projects

The following research activities were begun in FY 1981:

- o A one-year study to design a comprehensive data system on the demographic clinical characteristics of the disabled population.
- o A research project to document the neurodevelopmental outcomes of high-risk infants who may develop handicapping conditions.
- o A project in prenatal risk factor/early intervention to explore the parental involvement in roles currently filled almost exclusively by highly trained professionals.
- o A project to develop a model of continuous care which connects the medical community with intervention programs during early infancy.
- o A study of the pathophysiology of respiratory complications in spinal cord injury patients.
- o A demonstration of a comprehensive continuing care and rehabilitation program for multiple sclerosis patients.

## International Programs

International activities within the National Institute of Handicapped Research constitute a multipurpose program provided by Section 204(b) (5) of Public Law 95-602.

During FY 1981, designated the "International Year of Disabled Persons (IYDP)" by the United Nations and most other countries around the world, NIHR increased the number of international visitors served, and worked with the Federal Interagency Committee on IYDP.

Other important activities included bilateral agreements and participation in seminars and conferences in Vienna, Austria; Cairo, Egypt; and Lahore, Pakistan.

## Goals and Priorities for FY 1982

NIHR will conduct research on the elderly handicapped; mental retardation and developmental disabilities; preschool handicapped children; independent lifestyles for the handicapped; the psychological and social aspects arising from disabilities; handicapped minorities, the blind or visually impaired, the deaf or hearing impaired, and those with spinal cord injuries.

The study on establishing a national data base on the demographic characteristics of the disabled is scheduled to be completed in FY 1982.



## OFFICE OF BILINGUAL EDUCATION AND MINORITY LANGUAGES AFFAIRS

The mission of the Office of Bilingual Education and Minority Languages Affairs (OBEMLA) is to increase English-language skills.

### Program Operations

Authorized under Title VII of the Elementary and Secondary Education Act, OBEMLA assisted refugee children with funds authorized by the Immigration and Naturalization Act, as amended by the Refugee Act of 1980.

Programs for Cuban and Haitian entrants are funded under the Secretary's discretionary authority in Section 303 of the Elementary and Secondary Education Act and under the Refugee Education Assistance Act. Bilingual vocational training programs are authorized under the Vocational Education Act, as amended. All these programs provide federal assistance to states and local school districts to improve instruction.

In FY 1981 a total of \$157 million was awarded for Title VII programs. The major portion of this amount -- \$99.8 million -- went to support bilingual education projects in local school districts. In direct support of local school district projects, OBEMLA awarded \$15 million for the professional development of instructional staff and other personnel. Remaining grants under Title VII were awarded for direct or indirect support of local education activities.

OBEMLA awarded approximately \$5 million in FY 1980 funds for the bilingual vocational training, bilingual vocational instructor training, and bilingual vocational instructional materials development projects which were operational in 1981-82. States received approximately \$30.5 million for refugee and Cuban and Haitian entrant children in FY 1981.

### Capacity Building and Program Management

In an effort to help state and local education agencies increase efficiency, OBEMLA sponsored a number of conferences in FY 1981, including workshops for recipients of Title VII fellowships, for bilingual vocational training and bilingual vocational instructors training grant recipients, and for state refugee coordinators.

Two major efforts to improve program management were begun in FY 1981. First, the Bilingual Education Management Information System (BEMIS) was initiated through the Information Resources Management Service (IRMS). BEMIS will give OBEMLA computerized access to program and grant information, previously only manually accessible. Second, the Bilingual Education Fellowship Program Credit Management System will track Title VII fellows, who must either complete their service requirements or refund the fellowship amount, as required by the Bilingual Education Act. The Credit Management System will be maintained by the Office of Financial Management. Both systems -- BEMIS and Credit Management -- will be operational in FY 1982.



## Regulations

Final regulations were issued for the Transition Program for Refugee Children and the Educational Services for Cuban and Haitian Entrant Children on January 14, 1981 (34 CFR Parts 538 and 539, respectively), the Bilingual Education Desegregation Support Program on July 21, 1981 (34 CFR Part 520), and the Bilingual Education Training Projects Program on September 2, 1981 (34 CFR Part 510).

## Bilingual Research Reassesses Needs

Part C of the Bilingual Education Act funds studies to determine the need for bilingual education, to improve the effectiveness of services to those with limited-English-proficiency, and to improve Title VII program management. The appropriation for Part C studies was increased, and approximately \$1 million more was spent for these studies in FY 1981 than in FY 1980.

Two major studies were completed in FY 1981. The first in collaboration with the National Center for Education Statistics projected to the year 2000 the number of people in the United States from non-English-speaking backgrounds and the number of children with limited-English proficiency. The study partially fulfills the mandate in the 1978 Education Amendments (Sec. 731(C)(1)(A) of the Bilingual Education Act, as amended).

It will be updated by another study — coordinated by the Office of the Deputy Under Secretary for Planning, Budget, and Evaluation — using 1980 census information as the base for estimating the number of those with limited-English proficiency.

The second study, conducted by the National Institute of Education, dealt with the number of teachers in Puerto Rico whose English proficiency is limited and, conversely, the number of children on the island whose Spanish is limited.

An earlier Part C-related study — the Children's English and Services Study — was published by the National Clearinghouse for Bilingual Education in FY 1981.

The multi-state review of the implementation of Title VII programs undertaken early in 1981 by the Office of the Inspector General (OIG) will continue to have an impact on operations in FY 1982. Preliminary OIG reports identified legal, regulatory, and programmatic issues which confuse applicants and grantees. OBEMLA plans to provide additional guidance and technical assistance on the issues raised by the OIG and has taken steps to increase and improve monitoring of projects and staff training.

## National Advisory Council for Bilingual Education

The National Advisory Council for Bilingual Education (NACBE) has 15 members appointed by the Secretary to advise on regulations, policy, administration, and operation of programs for those with limited-English proficiency (see Appendix A). Five new members of the Council were sworn in by the Secretary on September 30, 1981.

## National Clearinghouse for Bilingual Education

The National Clearinghouse for Bilingual Education (NCBE), which is jointly funded by OBEMLA and the National Institute of Education, was transferred to OBEMLA at the beginning of FY 1981.

## OFFICE OF VOCATIONAL AND ADULT EDUCATION

### Improved Management

Following goals set by the Secretary to improve management throughout the Department, the Assistant Secretary instituted a complete review of Office procedures to determine their impact on state agencies. A management tracking system was implemented to provide more efficient administration throughout the Office, and OVAE was reorganized to increase services to the states.

### Deregulation

As part of a Department-wide effort to reduce the burden of excessive regulations, a special team was created to review existing regulations under both the Vocational Education Act and the Adult Education Act. At the end of the fiscal year the Vocational Education Act deregulation package was being readied for publication in the Federal Register. A similar package for deregulating the Adult Education Act was in the formative stage.

### Reauthorization of the Vocational Education Act

Authorization of the Vocational Education Act was scheduled to end on September 30, 1982, but the Act was extended two years by the Omnibus Budget Reconciliation Act of 1981. Nonetheless, the Assistant Secretary and staff have been collaborating with other Department officials to develop a legislative proposal for the Secretary's consideration. While this process was not completed in FY 1981, the proposal will most likely redefine the federal role and emphasize economic revitalization.

## VOCATIONAL EDUCATION

Vocational education, through its many programs, services, and activities, trains youth and adults for work. It emphasizes equal educational opportunity, retrain adult workers, and keeps current with the changing needs of business and industry. It thereby contributes to productivity and economic development.

### States Provide Largest Funding Share

In FY 1981, an estimated 17.5 million students nationwide were involved in vocational education. More than \$784 million in federal funds were appropriated in FY 1981. State and local funding for vocational education has traditionally exceeded federal funding by a ratio of ten to one.



## Management Evaluation Reviews for Compliance/Quality

OVAE conducted 10 vocational education Management Evaluation Reviews for Compliance/Quality (MERC/Q) in FY 1981. The compliance portion of the review focused on fiscal management, personnel and organization, planning, local program evaluation, program purposes, facilities, and advisory councils. The key problem areas in the remaining regulations were the fund distribution procedures, the set-aside for those with limited-English-speaking ability, and maintenance of effort. OVAE assisted the states in correcting the deficiencies.

The quality portion of the review focused on planning, evaluation and student follow-up, and program improvement. The most common recommendation for all three areas was the need to improve coordination among related agencies and make better use of the available information.

In FY 1982, OVAE will carry out this legislative requirement with a revised process called the Management Assistance Program (MAP). MAP will validate the findings from states' self-assessments, and assist in solving any problems identified.

## Audits

OVAE received 14 audit reports in FY 1981 on the states' use of vocational education funds. Ten of the 14 reports were resolved, and four were being reviewed or awaiting a response from state agencies as the year closed. One repeated finding in several audits was the failure of states to properly use funds within the carryover period as required by the Tydings Amendment.

## Technical Assistance

OVAE provided technical assistance to the states in administering their vocational education programs, including:

- o Working with contractors, grantees, and award recipients in the states and making recommendations to enhance the benefits of OVAE-sponsored programs;
- o disseminating information to a wide variety of recipients;
- o conducting and participating in national and regional professional development workshops and conferences in order to assist state and local administrators, teachers, and classroom instructors in improving vocational education.

## Sex Equity

OVAE in FY 1981 continued to provide technical assistance to states in order to achieve educational equity for women, particularly displaced homemakers, single heads of households, and men and women seeking nontraditional employment.

Along with state efforts, OVAE activities have, by such measures as enrollment and graduation rates in vocational courses, had an effect on decreasing disparities between the sexes.

In FY 1982 OVAE will continue to emphasize the elimination of sex discrimination in vocational education.

## Serving Handicapped Students

Making the transition from school to work, a giant step for most young men and women, is especially so for those who are disabled. Vocational education has the major role in teaching handicapped youth job skills and in helping them to take that giant step into employment.

OVAE is increasing the "mainstreaming" of the handicapped into regular vocational education programs. This has led to the development of such support services as paraprofessional aides and tutoring for handicapped persons in vocational education programs in more than half the states. Assistance was provided by telephone and on-site visits to improve services for the handicapped. In addition, a national conference on the topic "Meeting the Challenge -- Preparing Handicapped Persons for Employment" was held for 35 participants representing 31 states. These efforts will continue in FY 1982.

## Helping the Disadvantaged

Many young people and adults are unemployable because of poor educational background, limited proficiency in English, or bad home environment. In implementing the Vocational Education Amendments of 1976, OVAE seeks to place these students in regular classes with other students. A number of states use vocational education money to provide learning labs in which disadvantaged students can be given remedial teaching in mathematics, reading, and other basic subjects while they attend regular vocational classes. Tutorial help is also provided in postsecondary institutions to help them keep up with their classmates in more technical subjects.

Giving America's disadvantaged students the skills to pursue the future is a goal OVAE will pursue in FY 1982 by increasing vocational education opportunities, both in access and course offerings. The support network among the states will be strengthened with the help of technical resources from universities.

## Education and Labor Coordination

By a formal agreement, the Departments of Education and Labor work to enhance the employment of disadvantaged youth and adults by encouraging coordination among vocational education, other federal and state education programs, and the Comprehensive Employment and Training Act (CETA) programs. During FY 1981, 10 demonstration projects were operating as a result of a joint initiative between these two Departments. These projects ended September 30, 1981, and will be evaluated in FY 1982 to determine what techniques are most successful for enhancing CETA/vocational education coordination.

## Improving the Quality of Education Through Research and Evaluation

OVAE strives to improve the quality of vocational, adult, and community education through projects supported under the Programs of National Significance in Vocational Education. In FY 1981, \$10 million was appropriated for these activities. Funds supported the National Center for Research in Vocational Education, the National Occupational Information Coordinating Committee, and six regional Curriculum Coordination Centers. Six new projects were funded, with 36 projects continuing from previous years addressing topics ranging from developing competency measures for vocational skill areas, to serving older persons in vocational education and converting military curricula for civilian use.

The Secretary recently announced the winners of the 1981 "Awards for Outstanding Vocational Programs." These awards involved a nationwide search to identify exemplary vocational education programs in the Department's 10 geographic regions. Brochures and curriculum information are available on each of these programs and can be obtained from OVAE or the Curriculum Coordination Centers.

## FY 1982 Goals

New FY 1982 priority areas for projects funded under the Programs of National Significance will support the initiatives of the Assistant Secretary's task forces. The task forces address the issues of 1) defense preparedness, 2) private sector participation in vocational education, and 3) entrepreneurship.

## Appalachian Regional Commission Program

The Appalachian Regional Commission (ARC), from its beginning concentrated its major educational efforts in vocational education, reflecting its basic mission of promoting economic development in Appalachia by helping provide a skilled work force. The program has been expanded to include education demonstration projects.



Scope of the Program. -- In FY 1981, 63 projects were funded in 11 states involving \$1.4 million in federal vocational education funds, \$9.6 million in state and local money, and \$9.6 million from the ARC. Some projects encompassed entire school districts while others centered on individual schools or programs. Ten schools received funds for construction, which enabled them to accommodate an additional 2,800 students. The demonstration projects served over 11,000 students.

Projects included area vocational school construction, equipment, and demonstration projects in vocational education, as well as area-wide non-vocational education demonstration projects.

Plans for FY 1982. -- The ARC program goal for FY 1982 is the continued evolution of a well coordinated education system focusing on regional economic development. Emphasis will be placed on the use and improving the condition of vocational education facilities and equipment; reducing dropout rates; encouraging basic skills instruction; and providing relevant vocational programs to 50 percent of 11th- and 12th-grade students.

#### Vocational Education for Indian Tribes and Tribal Organizations

Under this program, grants are given to Indian tribes and tribal organizations to plan, conduct, and administer vocational education programs.

Program Operation and Scope. -- Thirty-four grants were awarded to tribal organizations in 15 states during FY 1981 with federal funds amounting to nearly \$7 million.

Approximately 6,000 Indian youths and adults have benefited from this vocational education program since it began in 1978. Students participate in skill training, career awareness, and counseling and placement services. Bilingual training in a variety of vocations is part of the program. Instructors and project directors also receive training.

Technical Assistance and Monitoring. -- The program staff monitored projects through monthly telephone calls, site visits, and review of periodic reports and evaluations providing assistance in all aspects of program operation. A national conference enabled project directors to exchange information and discuss solutions.

Plans for 1982. -- A national workshop is planned early in the year for project directors and directors of state vocational education programs. Coordination between these groups will be encouraged. Emphasis will be on improving program quality and evaluation.

## Corrections Program Included in Office of Vocational Adult Education

On December 1, 1980, the Corrections Program was established and placed within the Office of Vocational and Adult Education to coordinate education programs which are or could be used for educating inmates in our prison system.

Program Accomplishments in FY 1981. -- The Corrections Program helped state and local jurisdictions develop, expand, and improve the delivery of academic, vocational, technical, and social programs for juvenile and adult offenders.

Plans for FY 1982. -- The Corrections Program will continue efforts to increase the quality of education and training opportunities for adult and juvenile offenders.

## ADULT EDUCATION

Adult education teaches adults basic and job-related skills. It also helps adults obtain a high school diploma or its equivalent.

### State-Administered Programs

The state-administered adult education program is a cooperative effort between states and the federal government. In FY 1981, states channeled \$100 million in federal funds to more than 2,300 local education agencies, 450 community colleges and vocational-technical institutes, and 300 other entities. A vast majority of the states contributed to the program more than their required 10 percent state and local matching funds of this \$100 million. The state and local contribution was estimated at 40 percent. Nearly two million educationally disadvantaged adults participated in basic and secondary education programs in FY 1981.

### Assisting Refugees and Immigrants

During FY 1981, OVAE funded 15 projects for nearly 10,000 adult refugees from Indochina; 12 projects for 23,000 Cubans; and nine projects for 10,000 Haitians. Some \$20.1 million was used to provide English-language skills, basic skills, and other instruction.

Near the end of FY 1981, \$2.5 million was awarded for 18 projects to provide education to 5,000 immigrants from all over the world. These projects will operate in FY 1982.

In aiding refugees, OVAE cooperated with the Interagency Committee for Refugee Resettlement, the Department of Labor, U.S. Immigration Service, and the Coordinator's Office in the Department of State. OVAE also worked with state and local governments and national volunteer agencies to help these refugees and immigrants.

## Technical Assistance

In FY 1981 the major focus of OVAE's assistance to states was on outreach and expanding the delivery system. OVAE provided assistance to states through telephone and written communications, participation in regional, state, and national gatherings, and visits to state and local education agencies. A national meeting for state directors of adult education was held on improved planning and coordination to best help educationally disadvantaged adults. Separate national meetings were held for directors of projects for adult refugees.

## Disseminating Information

Many dissemination activities conducted in FY 1981 to improve adult education included:

- o establishing a clearinghouse on adult education to provide information to state and local educators and the public;
- o conducting 12 Adult Learning Seminars and holding 4 National Advisory Council meetings;
- o disseminating copies of Adult Education Programs That Work and the 1980 and 1981 Catalogues of Adult Education Projects;
- o initiating coordination between adult and community education directors.

## Goals for FY 1982

OVAE will provide leadership and advocacy for a nationwide campaign to improve the quality of adult education and implement the voluntary state self-assessment of adult education management practices at the state and local levels. This Management Review for Program Improvement will focus on goals, program functions and characteristics, recruitment, and state-local relations.

## Community Education

The Community Schools and Comprehensive Community Education Act provides educational, recreational, cultural, and other services for individual communities. Community education promotes the efficient use of facilities, and schools are effective when they serve as centers for community involvement and participation.

Sixty grants were awarded in which an estimated 100,000 persons were directly served in communities throughout the nation. Publications and manuals on exemplary community education practices were produced and disseminated to those interested in providing similar services.



Block Grant for 1982. -- Fiscal year 1981 was the last year of federal discretionary funding in community education, since community education was consolidated into the Administration's Block Grant Program. Community education is now an allowable activity under the new Title II of the Education Consolidation and Improvement Act. All current grants will be monitored in 1982 and closed out. OVAE will provide technical assistance and information to state directors of community education about the Block Grant Program and will coordinate a dissemination strategy for community education practices that were developed with federal funds.

#### OVAE Goals for FY 1982

In addition to preparing a reauthorization proposal for the Vocational Education Act and revising the regulations for the adult education program, OVAE is committed to new goals for FY 1982.

Emphasis on Services to States. -- In FY 1982, OVAE will help states improve their education programs. OVAE will attempt to rebuild the federal-state-local "partnership" that has characterized major economic growth in the past.

In conformance with this new role as federal facilitator for vocational and adult programs, the Assistant Secretary and OVAE will develop plans to aid states in achieving program excellence, in reviving the emphasis on adult retraining, and in achieving a closer partnership with business, industry, and labor.

In addition to these goals, OVAE will continue to focus technical assistance efforts on equal opportunity for all Americans.

OVAE will reassess the Vocational Education Data System with the objective of recommending a simplified, less expensive version that will relieve this excessive burden on states.

Special Emphasis on Meeting National Goals. -- Technical assistance will be provided in occupational areas not only to improve program quality, but also to help achieve national goals. In order to assist states to expand their efforts in these areas, two OVAE task forces have been created:

- o The Private Sector and Vocational Education Task Force will investigate new collaborative methods for involving industry, education, and labor (I-E-L) more closely in order to provide effective, efficient education and training programs.
- o The Entrepreneurship and Vocational Education Task Force, recognizing that approximately 80 percent of all new jobs are created by small firms, will attempt to introduce entrepreneurial instruction into all vocational education programs.

A Task Force on Defense Preparedness and Vocational Education will make recommendations on vocational education's potential to enhance defense preparedness.

Still another activity is being conducted on High-Technology and Vocational Education, reflecting current trends toward heightened skill requirements in American business and industry.

## OFFICE OF POSTSECONDARY EDUCATION

During FY 1981, three programs from other Departmental offices were transferred to the Office of Postsecondary Education (OPE). The Fund for the Improvement of Postsecondary Education and the Minority Institutions Science Improvement Program were transferred from the Office of Educational Research and Improvement, and the White House Initiative on Historically Black Colleges and Universities came from the Office of the Under Secretary.

The mission of OPE is to provide a broad spectrum of federal support for postsecondary education, ranging from student financial assistance programs to those directed toward student and institutional development, college housing and facilities, veterans affairs, cooperative education, and international education.

During FY 1981, six major goals dominated OPE activities:

- o efficient program management;
- o deregulation of postsecondary education programs;
- o assistance to historically black colleges and universities;
- o access for all students to equal educational opportunities;
- o enhancing the U.S. role in international education;
- o support of innovative teaching methods and practices.

### More Efficient Program Management

In FY 1981 the Office of Postsecondary Education continued to improve the management of its programs and resources.

Defaulted Student Loan Collections. — Great strides were made in the collection of defaulted Guaranteed Student Loans (GSL). Once a student defaults on a loan and the bank or other lender is unable to collect, the Department pays the lender and is responsible for collection from the student of the loan balance due. In the first decade of the program approximately \$33 million was recovered.

As the result of a major initiative to increase the recovery rate, \$39.4 million was collected during FY 1981 alone. As FY 1981 closed, the Office contracted out collection activities under the GSL program to private collection agencies.

As a result of its success with GSL collections, OPE extended its collection activity to defaulted loans under the National Direct Student Loan Program (NDSL). These loans originate at colleges and universities and are referred by them to OPE for collection. During FY 1981, more than \$6.5 million was recovered from individuals with NDSL loans in default.



During the year, OPE conducted 1,050 institutional program reviews and 908 lender reviews to assist colleges and universities, as well as banks and other financial institutions, in identifying current and potential problems and to improve the management of student financial assistance programs.

Steps to Improve Title III Management. -- OPE began a concentrated effort to improve the administration of the Institutional Support Programs (Title III, Higher Education Act). These programs are designed to assist institutions in strengthening management, administration, and curriculum and to lead institutions to self-sufficiency.

Efforts were made in FY 1981 to improve program operations and evaluation capability, and to find ways to alleviate paperwork burdens through the extensive use of an automated data base management and support system.

New monitoring techniques were investigated, particularly "conference monitoring," which brings together several colleges at a central site to reduce the cost of sending OPE staff members to individual institutions.

Streamlining College Housing Loans. -- The Office made dramatic improvements in the administration of the College Housing Loan Program, formerly administered in the Department of Housing and Urban Development. This was accomplished by developing flexible regulations, reducing program forms from 52 to one, and developing an integrated administration of the program with the Academic Facilities Program.

#### Deregulation of Postsecondary Education

OPE published 47 regulations for 38 programs by the close of FY 1981 on September 30.

On February 17, 1981, President Reagan issued Executive Order 12291 which provided specific guidance on the Administration's mandate to reduce burdens and costs in existing and future regulations. The Order required that the Department:

- o avoid unnecessary, burdensome regulations;
- o reduce paperwork and compliance requirements;
- o increase agency accountability for regulatory actions;
- o ensure that the benefits of regulations outweigh cost;
- o minimize rulemaking and ensure that data collection is minimal.

As a result of the President's directive, all regulations have been examined closely as "targets of opportunity" for further deregulation. Several regulations have been authorized for one year only in an effort to allow for further deregulation.

OPE's deregulation efforts embrace several objectives: clarity; reducing paperwork reporting burdens on colleges, universities, and other recipients; reducing fraud and abuse; and encouraging self-regulation by institutions.

Self-regulation has the highest priority in student financial assistance. Self-regulation for student assistance programs can result in the greatest reduction of the paperwork reporting burden achievable through deregulation. The recent adoption by financial aid and fiscal officers of self-generated standards for tuition refund policies is only the first example of OPE's push for self-regulation.

To comply with the Office of Management and Budget's Bulletin 81-82 requiring the reduction of the respondent paperwork burden, in FY 1981 OPE continued to combat fraud and abuse as well as to simplify administrative procedures. Early in FY 1982, OPE will publish streamlined adjudication procedures as a Notice of Proposed Rulemaking based on a recent OMB directive concerning fine, limitation, suspension, and termination proceedings against postsecondary education institutions. The procedures will reduce the administrative costs for both institutions and the Department, while significantly reducing fraud and abuse.

Finally, since several student aid programs are required to issue expected family contribution schedules on an annual basis for congressional review and approval, in FY 1982 OPE will explore the possibility of issuing these required annual schedules as notices rather than as regulations. Should this be feasible, total OPE program regulation sections will be significantly reduced.

#### Assistance to Historically Black Colleges and Universities

President Reagan signed Executive Order 12320 on September 15, 1981, to strengthen historically black colleges and universities. The President's order is administered by OPE's Office of the White House Initiative on Historically Black Colleges and Universities.

A major objective of the Order is to increase participation in federally sponsored programs. The Order breaks new ground by calling upon the Secretary of Education to encourage private sector initiatives to assist historically black colleges and universities.

The Order calls for each Executive department and those Executive agencies designated by the Secretary to establish annual plans for increased support of black colleges and universities. The Secretary will conduct an annual review of these plans and develop a government-wide Annual Federal Plan for Assistance to be considered by the President, the Vice President, and the Cabinet Council on Human Resources.

In four areas, there were significant increases in FY 1981 compared with FY 1980 support:

- o faculty exchange - \$1,400,420, or a 102 percent increase;
- o research and development - \$4,575,780, or a 37 percent increase;

- o student assistance - \$20,124,763, or a 217 percent increase;
- o other institutional assistance - \$4,337,328, or a 100 percent increase.

A significant role in assisting historically black colleges has been taken by the National Advisory Committee on Black Higher Education and Black Colleges and Universities. This committee authorized a series of major reports bringing together all relevant data on blacks in higher education.

The Office of Postsecondary Education coordinates and directs the annual inspection of Howard University as required by Public Law 70-134. Each year since 1928 the inspection has concentrated on one particular aspect of the institution's programs. In FY 1981, the focus was on the dental school.

In other program activity, OPE was able to stipulate in College Housing Loan Program regulations that no less than 10 percent of the funds available for loans would be "set-aside" for historically black colleges. During FY 1981, 23 percent of the funds available were loaned to these institutions.

In FY 1982, the Office of Postsecondary Education will implement three new programs authorized by the Education Amendments of 1980 to replace the Strengthening Developing Institutions Program (Title III - Higher Education Act). The programs will:

- o strengthen institutions by improving academic quality, institutional management, and fiscal stability in order to increase self-sufficiency and strengthen capacity;
- o assist institutions with special needs in strengthening planning, management, and fiscal capabilities;
- o match on a dollar-to-dollar basis new funds that institutions are able to generate from the private or non-federal public sector with federal funds to assist them in becoming self-sufficient.

Approximately \$27 million has been reserved under the Special Needs Program for historically black colleges and universities.

#### Access to Equal Educational Opportunity

A primary goal of the Department is to ensure that students are not prevented from seeking a postsecondary education due to lack of financial resources. There are six major OPE programs which ensure this access and provided more than \$8 billion in grant, work, and loan assistance to students attending colleges, universities, and other post-secondary institutions during the 1980-81 academic year.



The Pell Grant Program (formerly Basic Educational Opportunity Grants) is the largest federal grant program. Grants totaling \$2.45 billion were awarded to 2.8 million students in FY 1981. Grants averaged \$875 per student.

The three campus-based programs — Supplemental Educational Opportunity Grants, College Work Study, and National Direct Student Loans — provided more than \$1.1 billion so that 4,300 colleges and universities could assist 1.5 million students during the year.

The Guaranteed Student Loan Program enabled 2.3 million students to obtain \$4.8 billion in FY 1981.

The Special Programs for Students from Disadvantaged Backgrounds served as one of several vehicles during FY 1981 to inform students of OPE financial aid programs.

Financial aid is only one element, although the major one, in providing access to a college education for the disadvantaged. OPE funds counseling, tutorial, remedial, and other assistance to give these youth the motivation and academic preparation necessary to enter college.

The Special Services Program is designed to improve the success of low-income disadvantaged students enrolled in college. In FY 1981, \$63.9 million was awarded for 613 projects which materially enhanced retention and graduation prospects of 157,000 students.

#### Promoting International Understanding

OPE's International Division provides a wide range of educational programs and services to improve or increase the international dimensions of all levels of education in the United States.

The Teacher Exchange Program attracts more participants than any other international education program. Administered in cooperation with the International Communication Agency, this exchange program recruits and selects American elementary and secondary school teachers, college instructors, and assistant professors for interchange or one-way assignments between U.S. and foreign schools. In FY 1981, there were more than 2,000 applications for 200 positions in the year-long program and 140 positions in the summer seminar program.

The Department administers a number of bilateral agreements, known as Memoranda of Understanding, to enhance and expand cooperative efforts in education.

In cooperation with the International Communication Agency and the Department of State, OPE assists educators from abroad in visiting the United States for training and observation of teaching methods, curriculum development, and administration and supervision.

## Support of Innovative Teaching Methods and Practices

The Office of Postsecondary Education administers the Fund for the Improvement of Postsecondary Education (FIPSE) to help colleges and universities devise and implement innovative teaching methods and practices. Transferred to OPE in FY 1981, FIPSE has a history of supporting a variety of successful projects.

Two-hundred projects were supported in FY 1981 through the Fund's Comprehensive Program. Methods used to improve the quality of undergraduate education included:

- o synthesizing courses at the advanced undergraduate level;
- o international and multicultural studies;
- o developing broad thinking skills as a next step in basic skills instruction.

In FY 1981 FIPSE projects experimented with solving problems related to faculty retraining and mobility, elementary and secondary teacher training, accreditation, collective bargaining, and assessment of learning.

## Community Colleges

The Office of Postsecondary Education established an internal Committee on Community Colleges composed of Department employees appointed by the Deputy Under Secretaries and Assistant Secretaries. Committee goals are to:

- o facilitate cooperation between the Deputy Under Secretaries, the Assistant Secretaries and OPE's Community College Liaison on behalf of two-year junior, technical, and community colleges;
- o acquaint Department managers with community colleges' missions, governance, and fiscal support;
- o facilitate federal assistance to community colleges;
- o acquaint federal policymakers with the national significance of community colleges.

## FY 1982 Goals

OPE goals in FY 1982 will remain essentially the same as in FY 1981 with the further refinement of the six objectives outlined on page 64.

In FY 1982 all federal departments and agencies will complete plans for implementing the President's Executive Order on Historically Black Colleges and Universities. The Office of the White House Initiative will be in a position to verify specific federal assistance and to identify additional assistance useful in institutional development and enhancement. By identifying specific program activities that would benefit institutions which have not previously participated in them and by providing technical assistance, OPE and the Office of the White House Initiative hope to strengthen a select number of the institutions.

Deregulation will continue with special emphasis on the re-examination of all published regulations with a view toward further "targets of opportunity" for regulation reduction.



## OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT

The Office of Educational Research and Improvement (OERI) seeks to strengthen the foundations of education by building an effective research and improvement system through basic and applied research; systematic development, demonstration, technical assistance and dissemination; and professional and institutional development. OERI has five program components:

- o National Institute of Education
- o National Center for Education Statistics
- o Office of Libraries and Learning Technologies
- o Office of Education Professional Development and Dissemination
- o Institute of Museum Services

OERI serves as the Department's primary research arm.

During FY 1981, OERI placed the greatest emphasis on the use of technology in education, on the enhancement of educational quality, and on the more efficient management of program activities and carried out programs in support of such seats of learning as libraries and museums.

### Using New Technology

Modern electronic information technology — computers, video recording devices, and inexpensive means of storing and transmitting information — has created a revolution in communications.

Task Force on Technology. -- One of the major activities related to the new technology in FY 1981 was the work of the Department's Task Force on Learning and Electronic Technology. Its report described the task force as "an element in the Department's planning and review process on the potential role and application of learning and electronic technologies in education," citing the "microelectronics revolution which is having a profound influence on education."

OERI held two briefings on planning for the education technology revolution. The first briefing, in July 1981, was for private sector representatives and Department officials; the second, held in September, included representatives from the private sector, the Department, and other federal agencies as well as state and local school officials. Representatives from some 20 private sector organizations took part in the two meetings which provided an exchange of views on the state of the art of technology for use in educational endeavors.

Research on Classroom Computer Use. -- OERI was actively involved in adapting technology for educational purposes. In FY 1981, the National Institute of Education (NIE) supported research which not only examined ways in which microcomputers are used in schools and the problems and issues that surround this use, but also provided preliminary evidence of the effectiveness of microcomputers in teaching mathematics. The Institute developed the Evaluator's Guide for Microcomputer-Based Instructional Packages, which will help teachers and other educators better understand the use of computers in schools and evaluate available microcomputer software.

Fiscal year 1981 saw the culmination of a collaborative effort between NIE and the U.S. Navy in testing a computer-managed remedial instructional system for Navy recruits. The Performance Related Enabling Skills Training (PREST) project proved successful and cost-effective in increasing job-related basic literacy skills and in demonstrating that microcomputers can improve learning at the high school and post-secondary levels.

Late in FY 1981 the Office of Libraries and Learning Technologies (OLLT) began development of an interactive educational program bringing together television, videodisc, and microcomputer technology.

Library Technology. -- OLLT also completed a three-year project involving the University of California at Berkeley, Stanford University, and the University of California at Los Angeles. Funded under Title II-C of the Higher Education Act, this project created an automated computer-accessed data base of records for periodicals. This activity forms the cornerstone of a national data base of serial records in research libraries.

To get further ideas for library research needs, in July 1981 OLLT sponsored a meeting on a Library and Information Science Agenda for the 80's.

In the spring of 1981 the National Center for Education Statistics (NCES) held a training conference on the Vocational Education Data System with telephone and television hookups between NCES and all 50 state capitals. Indications are that this is a highly successful training mechanism. The cost is significantly less than traditional on-site training sessions; it saves travel money and is less fatiguing.

Educational Television Attracts Private Funds. -- The Department of Education and its predecessor agency, the Office of Education, have been involved in educational television programming for some 13 years. Beginning with support in 1968 of the Children's Television Workshop's Sesame Street, the two agencies have funded the development of more than 40 children's television series. Sesame Street became self-sustaining in FY 1981. Now reaching 15 million viewers, the program is an excellent example of an innovative new concept launched with federal funds which became successful enough to attract private sources of funds and no longer needs federal support.

National Commission on Excellence in Education. -- In August 1981 the Secretary established the National Commission on Excellence in Education. The Commission is an independent advisory group reporting directly to the Secretary.

In announcing the Commission, the Secretary said it would be part of a "major campaign to encourage all of the nation's schools, colleges and universities, and every individual in the nation's very large education community, to enhance excellence in learning."

Laying the Foundation for Quality. -- Improvements in the quality of American education cannot occur unless there is a knowledge base from which to build. The charter of the Commission on Excellence recognizes the need for reliable information on which it can base its findings and recommendations, and OERI is a major source of this information. The National Center for Education Statistics (NCES) and the National Institute of Education (NIE) furnish hard and reliable historical data as well as statistical projections and interpretations and research reports which planners, practitioners, and decisionmakers at all levels of education can use. The Office of Libraries and Learning Technologies (OLLT) provides funds to thousands of libraries to enable them to build their collections and improve service to the public.

Public Wants Higher Academic and Teacher Standards. -- The major annual statistical publication of the Department is The Condition of Education; 1981 was the seventh consecutive year of publication. Profiling American education at all levels of instruction, the 1981 edition clearly revealed an increasing public desire for more rigorous standards in our schools and colleges.

The percentage of high school seniors, for example, who believed that "school should have placed more emphasis on basic academic subjects" doubled from 1972 to 1980. State legislators were likewise concerned about quality, and a growing number of states -- 15 by the end of 1980 -- imposed some sort of competency testing for teachers, with 31 requiring competency tests for students.

School Enrollments Drop. -- Another issue highlighted in The Condition of Education was that of student enrollment: in seven states, public school enrollment decreased at both the elementary and secondary levels between 1970 and 1979, while in 30 states enrollment was lower only at the elementary level. In the remaining 13 states and the District of Columbia, enrollment fell only at the secondary level. Total elementary school enrollment, nationwide, was 14.4 percent less in 1979 than in 1970.

The implications of these declines are particularly severe for school districts with only one high school. NIE addressed these problems in a 1981 publication Planning for Declining Enrollment in Single High School Districts. "Too few . . . communities . . .," stated the report, "are planning ahead for the high school enrollment decline which is about to arrive as smaller classes in elementary grades move on through the school system." Furthermore, continued the report, "there is no excuse for not planning."

The report suggested practical ways a school district might accommodate a declining enrollment, focusing on "strategies within the school system," "strategies in cooperation with other school districts," and "strategies using educational and community institutions outside the school system." Since 73 percent of the nation's kindergarten-grade 12 and grades 1-12 school districts have only one high school, this publication offers timely assistance to communities which face dwindling numbers of students.



Private Education More Important Than Ever. — Education in America began with private schools, and today private schools educate about 10 percent of American students. It is important that information on these schools be available to present a full picture of the American educational system. To this end, in December 1980 NIE published the results of a cooperative effort between the Institute, the National Association of Secondary School Principals, and the Council for American Private Education. The Private High School Today reports on this comparative investigation of American public and private schools.

NCES also looked at private education in the United States and in March 1981 published a volume entitled Private Schools in American Education. Moreover, interest in this growing segment of education continues, and in FY 1982 NCES is scheduled to publish an additional study entitled Private School Statistics: Change Over Time, 1978-81.

National Assessment of Educational Progress Yields Mixed Results. — Since 1969, the National Assessment of Educational Progress (NAEP), funded by OERI and conducted by the Education Commission of the States, has interviewed more than a million young Americans to determine trends in student achievement in reading, writing, mathematics, and other academic skills.

NAEP released reports on student achievement in reading and writing in FY 1981. The writing survey found that "during the decade of the 70s, there was no major change in the writing abilities of most students. The majority of students at ages 9, 13, and 17 demonstrated control over the basic conventions of writing, although a sizable minority (10-25 percent) at each age appeared to have very serious problems with writing."

NAEP determined that black 13- and 17-year-olds had "improved on almost all of the writing tasks administered," thus "narrowing the gap between their performance and that of the nation on some items and performing at the national level on others."

Among all 13- and 17-year-old students surveyed, very few "reported that they received a great deal of direct instruction in writing or were required to do much writing in school." As might be expected, students who wrote better essays on the assessment "reported having written more papers and having had more class time devoted to writing instruction."

The report on reading skills "found that the reading skills of 9-year-olds improved steadily over the decade, increasing by 3.9 percentage points between 1971 and 1980. Reading skills of 13- and 17-year-olds remained stable during the same period." However, reading ability among students typically considered "advantaged" declined during the decade. This group included students whose parents graduated from high school as well as students in economically advantaged urban areas.

Following High School Graduates. -- The first of two longitudinal studies being conducted by NCES -- the National Longitudinal Study of the High School Class of 1972 -- drew upon a sample of 22,000 seniors in 1,300 public and private high schools. The data obtained from the initial survey and from subsequent surveys of the same individuals in 1973, 1974, 1976, and 1979 can be compared with information obtained from a sample of 58,000 high school sophomores and seniors taken in 1980.

The first analyses of these comparative data were released by NCES late in FY 1981 and revealed, among other things, that "high school seniors in 1980 received generally better grades than their 1972 counterparts but spend less time on homework." Entitled High School and Beyond: A Capsule Description of High School Students, this second study has furnished the data for numerous separate reports. Two of these released during FY 1981 were entitled Will High School Students Work for Less Than Minimum Wage? and Youth Employment During High School.

One of the most innovative studies to use NCES data was "Public and Private Schools," an analysis of the High School and Beyond data that was conducted by James Coleman and released in April 1981.

The report concluded that ". . . the constraints imposed on schools in the public sector (and there is no evidence that those constraints are financial, compared with the private sector) seem to impair their functioning as educational institutions, without providing the more egalitarian outcomes that are one of the goals of public schooling."

Adult Literacy. -- OERI's Office of Libraries and Learning Technologies completed a major, comprehensive review of literacy programming offered by public and community college libraries, school libraries, state library agencies and institutional libraries, and cooperating agencies.

Specialized Studies. -- NIE and NCES also conducted or sponsored numerous other data-gathering and research projects during FY 1981. Some of these were major multi-year projects, such as NIE's Vocational Education Study, which is scheduled for presentation to the Congress in FY 1982. Others were smaller, more specialized efforts, such as NCES' Update on Black Colleges, 1980-81.

Disseminating the Findings. -- OERI is charged legislatively with getting the research and statistical information to those who need it. It does this largely through NIE, NCES, and the National Diffusion Network (NDN), which is part of OERI's Office of Education Professional Development and Dissemination.

One of the oldest and most effective of NIE's activities in this area is ERIC, the Educational Resources Information Center. ERIC is a computerized library of over 400,000 items on education, dating back to 1966, many of which are available on microfiche.

A recent study indicated that ERIC is used more than 6.5 million times yearly at some 3,269 locations in this country and abroad. About 163,000 on-line searches of the computer tapes are made each year and some 3.5 million users consult ERIC microfiche.



Exemplary Programs. -- The National Diffusion Network (NDN) is OERI's other principal means of disseminating research on how to achieve educational goals. Each year in Educational Programs That Work it publishes abstracts of exemplary education programs. The Department's Joint Dissemination Review Panel (JDRP) examines projects for any evidence of effectiveness. By the end of FY 1981, the JDRP had approved 291 programs.

Nontraditional Learning. -- OERI, through its support of public, college, and university libraries and sponsorship of children's educational television programming, is involved in education outside the classroom. Another important OERI activity which has supported learning outside the classroom is the Institute of Museum Services.

Grants to Museums. -- The Institute of Museum Services (IMS) assists museums in maintaining, increasing, and improving service to the public. IMS awarded 588 grants during FY 1981 to museums of all kinds -- art, history and science, zoos, aquariums, botanical gardens, arboretums, planetariums, children's museums, and others -- in all 50 states, the District of Columbia, Puerto Rico, and the Virgin Islands. IMS also awarded 400 one-time, \$600 grants for the Museum Assessment Program, enabling museums to obtain technical assistance in evaluating their programs and operations. During this time of fiscal constraint, efforts are being made to encourage greater private support for museums, so they can prosper without federal subsidies.

The Institute of Museum Services is scheduled for transfer to the National Foundation on the Arts and the Humanities in FY 1982.

#### Improved Management -- Three Deputy Assistant Secretary Positions Eliminated

OERI's organizational structure underwent substantial change during the fiscal year. It assumed a new and leaner configuration when four deputy assistant secretary positions were reduced to one, and the program structure changed when the Office of School Improvement, the Fund for the Improvement of Postsecondary Education, and the Minority Institutions Science Improvement Program were transferred to other Department offices.

#### Looking Ahead to FY 1982

OERI will have a major role in FY 1982 in helping states and local school districts meet their increased responsibilities in administering Department-funded programs. NIE will provide information and technical assistance as states allocate block grant funds under the Education Consolidation and Improvement Act of 1981. OERI will release to Congress its mandated vocational education study. A growing demand for practical research will be met and the results disseminated by the Effective School Study, among others.

NCES will provide data to assist schools in planning and operations, as in a joint project with the Bureau of the Census in which 1980 census data will be adapted to school district lines.



## OFFICE FOR CIVIL RIGHTS

The mission of the Office for Civil Rights (OCR) is to ensure that no one is unlawfully discriminated against on the basis of race, color, national origin, sex, handicap, religion, and age in federally assisted education programs or activities. OCR enforces four laws prohibiting discrimination:

- o Title VI of the Civil Rights Act of 1964 (race, color, and national origin);
- o Title IX of the Education Amendments of 1972 (sex);
- o Section 504 of the Rehabilitation Act of 1973 (handicap);
- o Age Discrimination Act of 1975.

OCR provides assistance to encourage voluntary compliance and increase understanding of civil rights laws among school and college students and employees as well as school districts, the higher education community, state rehabilitation centers, and other recipients of federal education funds.

The task of protecting the civil rights of all Americans who attend public schools or postsecondary institutions is of particular importance to OCR, as is the responsibility of guaranteeing these rights for future generations.

### Resolving Complaints Voluntarily

Investigation and resolution of complaints alleging discrimination is OCR's primary activity. Each timely, written complaint must be resolved in accordance with schedules specified in a federal court order (the Adams Order) entered on December 29, 1977.

OCR received 2,876 and closed 3,329 complaints during FY 1981. Discrimination against handicapped persons was the basis in approximately 50 percent of complaints and closures, with race and sex complaints following in order of frequency.

Most complaints filed were against elementary and secondary schools. Almost 70 percent of the complaints regarded service delivery; the remaining complaints involved employment.

During FY 1981 in accordance with administration objectives voluntary compliance was achieved in 98 percent of the investigations where the initial findings of violation were made (368 of 377 complaints).

The 1,558 complaints pending completion at the close of FY 1981 represented a 21 percent decrease from the 1,969 complaints pending at the end of FY 1980. Productivity rates were significantly higher in FY 1981 than in the previous fiscal year, with 7.8 complaint closures per investigator as compared with 5.3 closures during FY 1980.

## Compliance Reviews

During FY 1981 OCR initiated 136 and closed 205 compliance reviews. Approximately 75 percent of the reviews involved elementary and secondary schools. Discrimination was the most frequent issue, including classroom assignment, tracking and ability grouping, physical education, and school athletics. Twenty-five percent of the reviews involved postsecondary institutions with program accessibility and graduate admissions the primary issues.

As in complaint investigations, voluntary compliance was achieved in almost all instances of violations.

## Program Management Initiatives

OCR compliance operations improved significantly during FY 1981, reversing the FY 1980 decline in performance of case processing.

Major initiatives in FY 1981 to increase efficiency and effectiveness were:

- o an improved tracking system for cases referred to headquarters;
- o storing data in a central system for office-wide use, eliminating reporting forms and saving staff time;
- o a work-measurement system for determining resource utilization and necessary reallocations;
- o revised investigative procedures to ensure uniformity and consistency in investigations;
- o a quality assurance program to measure performance and ensure that complaints and issues are resolved properly;
- o a management by objectives program to identify and track progress in accomplishing goals;
- o training programs on new investigative procedures.

Examples of major initiatives developed or implemented during FY 1981 to improve program delivery included:

- o voluntary compliance through negotiated agreements with schools, colleges, or other recipients prior to the issuance of letters of violation;

- o early complaint resolution procedures which allow OCR to mediate the resolution of a complaint without conducting a formal investigation;
- o release of partial letters of finding, allowing OCR to communicate some findings while the remaining portion of a complaint is being examined.

In FY 1982, OCR will continue to explore improved ways to increase effectiveness and efficiency.

#### Elementary and Secondary Education

During FY 1981, OCR reviewed the eligibility of 459 applicants for Emergency School Aid Act (ESAA) funds. ESAA was authorized to help school systems meet desegregation mandates. OCR found 45 school districts ineligible for ESAA funds due to discriminatory practices. Forty-two of the districts submitted corrective plans, and OCR certified 41 of the districts eligible after determining that their plans met legal requirements.

In FY 1981 OCR continued to enforce civil rights laws in vocational education. Guidelines issued in March 1979 set forth the obligations for compliance of state agencies as well as local school districts which offer or administer vocational education programs. In FY 1981 all states submitted Methods of Administration (MOA) which OCR approved in cooperation with the Office of Vocational and Adult Education. OCR will monitor compliance in implementing the commitments under the MOA's.

During FY 1982, OCR will emphasize reviews of in-school discrimination.

Placement of minority students in special education is another important undertaking. OCR will seek placement procedures which accurately assess students' abilities instead of racial or ethnic differences or other factors unrelated to ability.

#### State Higher Education Systems

Under the previous Administration, OCR completed reviews and sent letters of finding, as required under the Adams Order, to nine states which previously operated racially segregated higher education systems. The affected states were Alabama, Delaware, Kentucky, Missouri, Ohio, Pennsylvania, South Carolina, Texas, and West Virginia. Each state was asked to eliminate the remaining vestiges of segregation. Several states submitted plans which the Department approved under this Administration and negotiations continue with the remaining states. These plans increase opportunities for black students, faculty, and administrators in all aspects of higher education and strengthen historically black institutions.

Another significant accomplishment during this Administration was a negotiated settlement with North Carolina, which had been subject to enforcement proceedings and federal litigation since FY 1979. The settlement incorporates North Carolina's plan for enhancing its traditionally black institutions and desegregating its university system and is a prime example of the Administration's effectiveness in resolving civil rights issues.



## Enforcement of Title IX in Intercollegiate Athletics

Before passage of Title IX in 1972, female students were 15 percent of those involved in intercollegiate athletics and received one percent of athletic scholarships. By 1980 female students were 30 percent of all athletic participants and received 22 percent of athletic scholarships.

Based on the willingness of most colleges and universities to cooperate, OCR developed a new procedure to resolve Title IX intercollegiate athletics cases. This procedure gives colleges and universities an opportunity to cooperate in developing plans to correct problems identified during investigation, before it becomes necessary to issue a formal letter of finding.

This procedure has successfully fostered cooperative relationships between OCR and higher education institutions, and its application will be considered in other compliance areas during FY 1982.

## Regulatory Reform

A major OCR goal is to ensure that regulatory requirements are consistent with the intent of the Congress, and are fair, reasonable, and give school officials the flexibility to meet their obligations under the civil rights laws. Toward this end, two actions were taken shortly after the Reagan Administration took office.

On February 2, 1981, the proposed Civil Rights Language Minority Regulation, also known as the Lau Regulation (issued August 5, 1980), was withdrawn. Fundamental questions had been raised about the cost and effectiveness of the regulations and services required. A new approach is being developed to give state and local education agencies greater flexibility in designing programs to meet the needs of those with limited-English proficiency.

On April 23, 1981, a notice of proposed rulemaking was issued to amend the Title IX Regulation by deleting a provision relating to codes of personal appearance. The Administration believes that the issue of sex discrimination in dress codes, such as rules governing hair length, belongs at the local level. By freeing OCR from devoting resources to resolving complaints in dress codes, issues more clearly related to the prohibition against sex discrimination under Title IX can be given the attention required.

Review of civil rights regulations enforced by OCR is a major project because of the complexity of issues raised by civil rights legislation, the broad scope of implementing regulations, rules and policy statements and the controversial nature of civil rights legislation. This project is being conducted in two phases. Phase I began in FY 1981 and will be conducted over a 10-month period and involves 25 proposed and existing regulations and rules. Phase II, to be started in FY 1982, will consist of an analysis and summary of Phase I activities and the designation and review of additional rules and regulations.

Technical assistance complements compliance and extends the range of OCR's impact beyond those directly covered by a complaint investigation or compliance review. By encouraging voluntary compliance, the program produces long-term benefits to institutions, beneficiaries and the federal government by preventing discriminatory practices and eliminating the need for costly, time-consuming investigations. During FY 1981, 339,000 persons were reached directly by OCR technical assistance materials, visits, and workshops. An additional 33,144 were reached by regional staff.

Success in recent years in providing technical assistance on Section 504 (handicap) issues prompted the extension of the technical assistance contract program during FY 1981 to include Title VI (race, color and national origin) and Title IX (sex) issues. For example, a technical assistance contract is helping college administrators reduce the high dropout rate of black students. Another project provides expert assistance, on request, to states implementing higher education desegregation plans, and a contract provides information on how to prevent sexual harrassment and establish grievance procedures.

#### Plans for FY 1982 — Seeking Voluntary Compliance

OCR has designed an expanded technical assistance program for FY 1982 consistent with a new role which encourages voluntary civil rights compliance by assisting state and local agencies and recipients to achieve compliance. The Administration recognizes that state and local governments should work in partnership with the Federal government in addressing issues of national concern, and that adversarial roles should be avoided. Enforcement action is regarded as a sanction of last resort. Assistance will be provided in two ways:

- o Assistance related to complaint investigations and compliance reviews. This includes policy guidance, complaint mediation, compliance review negotiation, and other case-specific activities undertaken by regional offices.
- o Assistance not related to complaint investigations and compliance reviews. This includes conferences, training workshops, meetings, consultation and response to inquiries. This assistance is designed to communicate technical information related to a compliance issue but not as a result of an investigation or review.

## OFFICE OF THE GENERAL COUNSEL

The Office of the General Counsel (OGC) provides legal services to the Secretary of Education and officials of the Department.

Discussions of OGC's activities and accomplishments in specific areas during FY 1981 are set out below.

### Legislation

In FY 1981, the Office of General Counsel has supervised responses to approximately 200 Congressional and Administration requests for the Department's views on proposed or pending legislation.

The Office also responded to numerous inquiries from within the Department, the Administration, the Congress, and the general public concerning the interpretation of education laws.

In August 1981, a landmark federal education law, the Education Consolidation and Improvement Act of 1981 was enacted. Chapter 2 of that law consolidates a number of categorical federal assistance programs into block grants; Chapter 1 greatly simplifies the requirements formerly included in Title I of the Elementary and Secondary Education Act.

This new law represents a significant step toward the President's goal of shifting basic authority and responsibility for education.

The Office helped write the specifications for an Administration bill, identified legal and policy issues to be resolved in preparing the bill, and ultimately drafted it.

### Regulations

The legal staff of the OGC and the regulations coordinators of its Division of Regulations Management (DORM) work together to try to assure that the regulations are correct, concise, legally sound, and reflect appropriate and understandable policies and interpretations.

The major efforts of the Department in this area during FY 1981 have been:

- o Internal coordination of Departmental regulations development;
- o coordination of Departmental review of regulations affecting education promulgated by other agencies;
- o the establishment of an improved regulations development process;



- o a thorough review of a substantial number of the Department's regulations and the scheduling of the remainder for a similarly exacting examination;
- o the timely issuance of regulations, including those resulting from the Education Amendments of 1980;
- o the withdrawal of certain proposed regulations and the elimination of unnecessarily burdensome reporting requirements in other regulations;
- o the elimination of many existing regulations;
- o the recodification of regulations.

Improved Regulations Process. — The Office of the General Counsel has improved the process for development, approval, and issuance of regulations. The new process accommodates the requirements of the Regulatory Flexibility Act, the Paperwork Reduction Act of 1980, Executive Order 12291, and the other relevant actions initiated by the President's Task Force on Regulatory Relief and the Office of Management and Budget.

The Office of the General Counsel ensures that regulations are written in clear, simple English.

Regulations Review for Burden Reduction. -- OGC's major effort to review regulations for burden reduction began with 28 final regulations and interpretations that had been published in the Federal Register, and were to take effect March 30, 1981. Through amendments to the regulations, this initial undertaking will result in substantial burden reduction.

For purposes of deregulation, the Office of General Counsel has developed a schedule for the review of more than 200 education regulations by the latter part of 1983. Included in this schedule are three targets of opportunity identified by the President's Task Force on Regulatory Relief:

1. Title 34 C.F.R. Part 300-Assistance to States for Education of Handicapped Children (Part B of the Education of the Handicapped Act, as amended by P.L. 94-142).
2. Title 34 C.F.R. Part 106-Nondiscrimination on the Basis of Sex in Education Programs and Activities Receiving and Benefiting from Federal Financial Assistance (Title IX of the Education Amendments of 1972 — Athletics Policy).
3. Title 34 C.F.R. Part 104-Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance (Section 504 of the Rehabilitation Act of 1973).

Elimination of Burdensome Regulatory Provisions. — OGC played a leadership role in reducing paperwork and compliance burdens in many sets of regulations by identifying provisions that were unnecessary and overly prescriptive, coordinating their review, proposing legally viable alternatives, drafting revisions, and advising the Secretary's office concerning these efforts.

## Legal Services

OGC provided legal advice to the Secretary of Education during FY 1981 on a number of important statutory, constitutional, and administrative issues. The major areas and issues included:

- Disposition of appeals from decisions of the Civil Rights Reviewing Authority and before the Education Appeal Board involving audit claims;
- statutory and regulatory amendments to Title IX of the Education Amendments of 1972;
- possible roles of state agencies in enforcing federal civil rights statutes;
- education of the handicapped;
- amendments to the Higher Education Act;
- compliance with fiscal requirements under Title I of the Elementary and Secondary Education Act;
- Education Consolidation and Improvement Act of 1981, including "block grants";
- services to private school children in elementary and secondary education programs.

OGC also provided the legal services needed in carrying out the many established programs of assistance to education administered by the Department. Program areas that required a concentration of legal services during FY 1981 included:

- Women's Educational Equity Act;
- Emergency School Aid Act;
- Special education services for refugees and Cuban-Haitian entrants;

- Impact aid;
- Title I audits.

## Litigation

Legal services provided by the OGC during FY 1981 in connection with court and administrative litigation have improved the administration of Department programs. For example, in support of the Department's program to prevent waste, fraud, and abuse, OGC has devoted considerable resources to the audit enforcement process, particularly under programs of aid to elementary, secondary, and vocational education. Among these are:

- o resolution of longstanding audit appeal and audit collection cases under Title I of the Elementary and Secondary Education Act through settlements and the use of authority for regranting recovered funds under Section 456 of the General Education Provisions Act;
- o presenting the Department's position before United States Courts of Appeals in key cases testing the Department's authority to recover misspent program funds through administrative determinations;
- o successfully representing the Department in complex reviews and appeals of final audit determinations and other rulings in connection with state-administered programs such as Title I of ESEA and the Emergency School Aid Act;
- o development of new, final regulations for the Education Appeal Board, resolving a previous dispute with members of the Congress regarding the status of those rules, and expanding the appeal process to apply to many types of funding made by the Department.

Other key litigation involving the OGC in program areas includes:

- o convening arbitration panels for and overseeing the mediation of disputes concerning vending sites for blind vendors under the Randolph-Sheppard Act;
- o defense of cases challenging the Department's authority to provide for federally assisted services to private school children in their schools;
- o successful defense of the Department's denial of claims for Impact Aid payments made by various school districts.



In the area of postsecondary education, OGC's litigation activities included protecting the Department's interests in suits brought by claimants under the Guaranteed Student Loan program; developing procedures for the conduct of literally thousands of cases to collect defaulted student loans; and protecting the integrity of student financial aid programs through limitation, suspension, and termination proceedings and through the defense of litigation challenging the Department's eligibility determinations. The Department is currently engaged in lawsuits related to the payment of default claims totaling well over \$150 million.

The Office participated with the Department of Justice in civil rights cases dealing with the nature and scope of the Department's responsibilities under:

- various civil rights statutes, including issues of employment and athletics under Title IX and school discipline practices under Title VI of the Civil Rights Act of 1964;
- elementary and secondary education statutes;
- higher education statutes;
- handicapped statutes.

Finally, in a number of Department of Justice cases substantially affecting education in other ways, OGC has served to coordinate this Department's concerns with DOJ's at all levels of education.

#### Plans

In FY 1982, the plans of the Office of the General Counsel include:

- o helping to put the block grants into operation;
- o continuing the process of deregulation;
- o providing support for the effort to eliminate fraud, waste, and abuse in Department programs;
- o defending the Department in lawsuits brought against it;
- o helping to carry out the President's plan to dismantle the Department.

## OFFICE OF LEGISLATION AND PUBLIC AFFAIRS

Shortly after the Administration took office, the Offices of Legislation and Public Affairs were merged as part of a reduction in the number of Assistant Secretaries in the Department. Combining these offices reduces overhead and improves communication with the Congress, the public, and the education community.

The principal adviser to the Secretary on matters concerning the Department's legislative program, the Assistant Secretary for Legislation and Public Affairs is responsible for congressional relations and for informing the general public and education community about Department programs and policy.

The Office also administers provisions of the Freedom of Information Act, Privacy Act, and Ethics in Government Act, and serves as a repository for documents required under the Ethics in Government Act.

## OFFICE OF LEGISLATION

The Office of Legislation (OL) works with congressional authorizing committees and policy and program offices within the Department, the White House, and the Office of Management and Budget in formulating legislative proposals. A major responsibility is to help develop the overall strategy essential to the timely presentation of the Department's legislative program.

The Office's Division of Congressional Services responds to inquiries from the Congress regarding Department operations and programs, and informs Members of grant and contract activities. The Legislative Reference Unit follows and reports the progress of legislative measures pertaining to the Department and maintains a library of current and historical legislative materials relating to federal education programs.

## Legislative Activities

In FY 1981, the Office of Legislation worked for passage of the Administration's proposed consolidation of more than 30 categorical education programs through the budget reconciliation process. With a few exceptions, most programs were reauthorized under the Omnibus Reconciliation Act (P.L. 97-35) at reduced funding levels through FY 1984. Major features of the Department's legislative program include:

Education Consolidation and Improvement Act of 1981. -- Central to the Administration's goal of redefining and reducing the federal role in education is the need to reaffirm and strengthen state and local responsibility for education. The Congress approved a block grant consolidation of 31 Department programs allowing state and local education agencies greater flexibility in selecting and providing programs which best serve the interests and needs of individual school districts.

Student Financial Assistance Programs. -- The Congress supported several Department proposals to reduce the escalating costs of both the Guaranteed Student Loan (GSL) and Pell Grant programs that assist college and university students. As part of the Department's goal to provide aid to those students most in need of financial assistance, the Congress approved a needs test for GSL applicants whose families earn \$30,000 or more annually, while tightening eligibility standards for Pell Grant applicants.

Impact Aid. -- The Department's proposal to concentrate federal payments on school districts impacted by the largest number of federal employees was approved as part of Public Law 97-35. Federal payments to school districts with lower concentrations of federal employees will be reduced over the next 3 years to insure that those districts which are most hard pressed receive an equitable share of assistance.

#### Plans for FY 1982

In the coming year, the Office of Legislation will concentrate its efforts on several important legislative initiatives.

Foremost, OL will be working with the Congress to win approval of the President's plan to reorganize the administration of federal education programs at the subcabinet level.

Other legislative efforts will include reauthorization and consolidation of the Vocational and Adult Education Acts, amendments to the Bilingual Education Act to allow flexibility in methods of teaching, consolidation and redefinition of provisions of the Handicapped Education Act and the Rehabilitation Act. Efforts to further amend the Student Financial Assistance programs are still under way. This Office is playing a lead role in the President's support for tuition tax credits.

#### OFFICE OF PUBLIC AFFAIRS

The Office of Public Affairs (OPA) is responsible for keeping the public and media informed of Department programs and policy. It is the focal point for contacts between the media and Department officials, and also responds to students, parents, education associations, and the general public requesting information about Department policy.

#### News and Information

OPA's news and information activities in FY 1981 covered such major Administration initiatives as program consolidation, reduction of the regulatory burden on state and local governments, changes in student financial aid programs, settlement of higher education desegregation cases, the 1982 budget, tuition tax credit proposals, plans to restructure the Department, and creation of the National Commission on Excellence in Education.



The Division arranged news conferences regarding major policy objectives of the Department, and print and electronic media coverage of the Secretary and other major officials of the Department. The Division also handled correspondence regarding the Department, letters requiring special handling for the signature of the President and the Secretary, and letters in response to congressional requests.

#### Editorial Services

Publications and Audiovisual Moratorium -- President Reagan, in an April 20, 1981 memorandum, directed the heads of all Executive Branch departments and agencies to eliminate wasteful spending on publications and audiovisual products.

The Office of Management and Budget (OMB), in Bulletin No. 81-16, set forth guidelines for Executive Branch compliance with the President's memorandum and established a moratorium on spending for new publications and audiovisual materials.

Bulletin 81-16 required departments to conduct a comprehensive review of publications and audiovisual materials planned for FY 1981 and FY 1982 with the goal of eliminating those that were wasteful, duplicative or unnecessary. Each agency was also directed to design and submit to OMB for approval plans for a permanent control system to monitor future spending for publications and audiovisual materials. The Department completed its response to OMB in a timely manner, projecting a decline in spending for publications and audiovisual products in FY 1982. Plans for FY 1982 include implementation of the OMB-approved internal control system.

Publications. -- Before and during the moratorium, OLPA evaluated, edited and processed for production some 50 publications, including reports to the President and the Congress. In accordance with the instructions set forth in OMB Bulletin 81-16, only those publications mandated by law or deemed essential by the Secretary were produced after the moratorium came into effect.

Audiovisual Product Review. -- OLPA has review and approval authority for audiovisual materials prepared under grant or contract for all Department programs.

Working with program officers and contract and grant specialists, the OLPA review officer determines whether audiovisual materials already exist to meet a specified need or whether a new product is required. If new materials are justified, an analysis is made of the proposed audience and the audiovisuals required to best convey the intended information. Detailed technical production specifications are then prepared concerning products to be delivered, as well as costs and delivery dates. Specifications also include production review schedules to be met by the Department.

In FY 1981, OLPA reviewed 88 grants and 26 contracts involving the production of approximately 800 audiovisual products costing \$10 million.

Clearance of Articles and Speeches. -- OLPA cleared for policy 74 articles and speeches written by ED employees for non-federal journals and audiences.

American Education. -- One of the Department's three periodicals, American Education reports on Department policy, effective education practices, education research, and education issues. The magazine is produced ten times annually and is available by subscription (\$14 per year) or single copy (\$2.50) from the Superintendent of Documents, Washington, D.C. 20402.

Editorial Services also runs a daily broadcast service offering some 300 reports on Department activities in FY 1981 with an average of 125 calls daily, and a Department-wide exhibit program which presented displays at nine major education conferences throughout the country in FY 1981, serving an audience of approximately 100,000 educators.

## APPENDICES

### APPENDIX A

#### Advisory Councils and Committees — October 1, 1980–September 30, 1981

Advisory Council on Dependents' Education (established December 15, 1980)  
Advisory Council on Developing Institutions (terminated September 30, 1981)  
Advisory Council on Education Statistics  
Advisory Council on Financial Aid to Students (terminated October 3, 1980)  
Advisory Council on Native Hawaiian Education (established January 15, 1981)  
Advisory Panel on Financing Elementary and Secondary Education  
Asbestos Hazards School Safety Task Force  
Board of Advisors to the Fund for the Improvement of Postsecondary Education  
(terminated January 14, 1981)  
Commission on the Review of the Federal Impact Aid Program (terminated  
September 30, 1981)  
Community Education Advisory Council  
Federal Education Data Acquisition Council  
Intergovernmental Advisory Council on Education  
National Advisory Board on International Education Programs (established  
January 16, 1981)  
National Advisory Committee on Accreditation and Institutional Eligibility  
(established January 1, 1981)  
National Advisory Committee on Black Higher Education and Black Colleges and  
Universities  
National Advisory Council for Career Education  
National Advisory Council on Adult Education  
National Advisory Council on Bilingual Education  
National Advisory Council on Continuing Education  
National Advisory Council on Ethnic Heritage Studies  
National Advisory Council on Indian Education  
National Advisory Council on the Education of Disadvantaged Children  
National Advisory Council on Vocational Education  
National Advisory Council on Women's Educational Programs  
National Board of the Fund for the Improvement of Postsecondary Education  
(established January 15, 1981)  
National Commission on Excellence in Education (established August 26, 1981)  
National Council on Quality in Education

### APPENDIX B

Department of Education – National Science Foundation Coordination as Required by  
Section 304(c) of the Department of Education Organization Act

In FY 1981, the Secretary and his key staff met with the Director of the National Science Foundation (NSF) and the Assistant Director for Science and Engineering Education. This meeting was followed by formal and informal meetings with NSF staff



initiated by the Department's Office of Educational Research and Improvement. Discussions focused on the development of policies and procedures intended to lead to a formal agreement clarifying the delegation of responsibilities for the two agencies' education programs. During the year particular attention was devoted to mathematics and engineering education, to the training of teachers in these critical areas, and to the technologies -- especially computers -- required to support these instructional programs.

Technology Conferences. -- The Office of Educational Research and Improvement conducted two major national conferences to encourage exchanges between the education community and that part of the private sector engaged in the development of new electronic technologies. Discussions focused on the need to prepare elementary and secondary teachers for the rapid growth and potential of the computer field and for teaching computer literacy. Computer and videodisc technologies were cited as important new teaching tools that could be used by classroom teachers. Concerns were expressed over the paucity of qualified math and science teachers at the lower grade levels where basic quantitative skills are learned. The Secretary participated in both conferences and indicated a desire to begin a new federal initiative to encourage wider uses of new information and learning technologies.

Mathematics Education. -- The Office of Postsecondary Education, in cooperation with NSF, held a colloquy on the "Condition and Needs of Mathematics Education in the United States." Panels focused on the changing and increased demands for highly qualified mathematicians and the serious shortage of qualified high school mathematics teachers.

In FY 1981, NSF and the National Institute of Education (NIE), an OERI agency, continued their joint effort to support research and development aimed at improving the teaching of mathematics through the use of modern information-handling technology, particularly microcomputers. This was the second year of a 5-year joint effort. Activities included the joint support of six projects to develop computer-based materials for teaching and learning of mathematics and four regional meetings to identify changes that are expected in mathematics education during the next decade, given the availability of computers.

Science and Engineering Education Report. -- In response to recommendations in the report, Science and Engineering Education for the 1980's and Beyond, the Office of Educational Research and Improvement (OERI), with NSF, supported four contracts to address the decline in the general understanding of science and technology among students in our secondary schools. These contracts resulted in a series of regional conferences for educators, scientists, and state and local officials. The Conferences explored ways and procedures to improve student understanding of science and technology.

Conferences and discussion groups on the problems involved in maintaining excellence in science and mathematics education are continuing in some states and communities as a result of the national attention stimulated by the 1980's report and the regional conferences.

Educational Television Project. — OERI's Office of Libraries and Learning Technologies participated with NSF in jointly funding the production and development of new episodes for 3-2-1 Contact, a television science series for children that brings a creative approach to instruction on science and the environment. The Department, NSF, the Corporation for Public Broadcasting, and United Technologies share the cost of producing a total of 65 shows in this series, which is currently being broadcast on public television.

Cooperative Statistical Activities. — NIE and NSF continued their efforts to make information gathered by the National Assessment of Educational Progress (NAEP) available for secondary analysis. Production of data tapes on the science and mathematics assessments were jointly funded; NSF funded development of science tapes and NIE the mathematics tapes. In addition, NSF supported a series of workshops to review the science tapes, and NIE supported approximately 40 awards to individuals to conduct analysis on the results of science assessments. Both NIE and NSF staff served on review panels to assist in ensuring that the tapes were useable for secondary analysis. Twenty-two tapes on national assessments in science, mathematics, and other subject areas are currently available.

Science Education Programs. — The Department of Education Organization Act transferred two science education programs from NSF to the Department — the Minority Institutions Science Improvement Program (MISIP) and the Pre-College Science Teacher Training Program (PCSTT). These programs received nearly \$7 million in FY 1981. In FY 1982, MISIP will continue to provide direct grants. PCSTT will be incorporated in the consolidation grants to states beginning in July 1982.



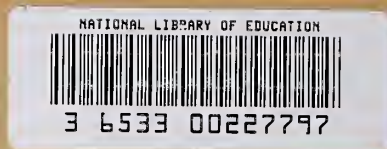


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